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NEWS SUMMARY

GENERAL

Poles pave way for deal

Negotiators of the Polish Government and Solidarity, the independent trade union, agreed to abide by next Saturday's Supreme Court judgment on the clause in the union's constitution dealing with the leading role of the Communist Party.

The agreement paved the way for a negotiated settlement on a wide range of union grievances, some under discussion last night.

But dispute continues over improved food supplies and registration of an independent farmers' union. Page 2.

Labour conflict

Conflict between Right and Left wings of the Labour Party over the method of electing the party leader increased sharply. Back Page

'Shah' rejected

The U.S. State Department dismissed claims by Crown Prince Reza Pahlavi, the late Shah's son, to be rightful ruler of Iran.

Zimbabwe deaths

Two people were killed in unrest in Zimbabwe as tension mounted ahead of local government elections. Page 2

Jamaica victory

... Labour Party led ... scored a landslide in the General ... Back Page, Page 2.

Reagan favourite

Ladbrokes says Ronald Reagan is favourite as next U.S. President, at 8-11. President Jimmy Carter is offered at evens, John Anderson at 50-1. Page 2

Benidorm finding

A UK-Spain medical team detected the Legionnaires disease microbe in shower pipes at Rio Park Hotel, Benidorm.

Forecast

Temperatures are expected to be below average and rainfall about average this month. After a settled week there will be strong winds, occasional rain.

Italian remanded

... Ferrani, 24, an Italian, ... remanded in custody at ... Street. It is alleged he ... to murder a police officer ... in April.

Appeals upheld

A Dutch court dismissed jail sentences imposed on the captain and first officer of the tanker Energy Concentration, which broke in two while unloading oil at Rotterdam in July.

Cannabis seized

Customs seized 278 kilos of cannabis worth more than ... from the ship Ciudad de Medellin, in Liverpool, bringing to ... the value of drugs seized in the city this year.

Tanzania choice

President Julius Nyerere was elected for a further five-year term, with a 93 per cent mandate, his lowest level of support ever.

Briefly . . .

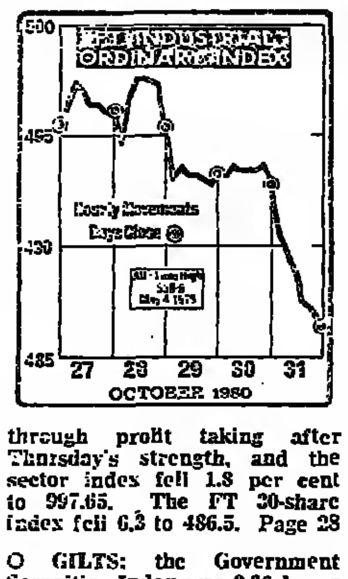
Thirty-four people were killed and more than 80 injured when an express train hit a derailed freight train near Kanpur.

China conducted its fifth known missile test of this year.

BUSINESS

Equities off 6.3; gold down $13

● EQUITIES: pessimism on interest rates dulled investment incentive. Oils suffered



through profit taking after Thursday's strength, and the sector index fell 1.8 per cent to 997.65. The FT 30-share index fell 6.3 to 486.5. Page 28

● GILTS: the Government Securities Index was 0.36 lower at 70.94. Page 28

● GOLD fell $13 to $629.50. Page 27

● STERLING fell 20 points to $2.4365. Its trade-weighted index was 79.2 (79.0). Page 27

● DOLLAR closed at DM 1.9025 (DM 1.8980). Its trade-weighted index was 85.4 (85.2). Page 27

● WALL STREET was up 5.20 near the close at 922.95. Page 22

● HONG KONG: the Hang Seng index rose 52.25 to a seven-year high of 1,298.56, largely on rumours of a bid for Jardine and Matheson. Page 23; world stock markets, Page 22

● DIRECTORS of the Christopher Moran insurance broking group failed at an extraordinary general meeting to remove Christopher Moran from the board. Back and Page 20

● TRADING PROFITS of companies in the latest FT survey of industrial profits rose an average 10.8 per cent. Page 25

● C.Y. TUNG shipping group has halved the fleet of new subsidiary Manchester Liners. Page 3

● ALBERTA'S provincial Government is to cut oil production by 15 per cent in retaliation for Canadian Government plans to set prices unilaterally. Page 2

● EEC STEEL producers met Industry Commissioner Viscount Etienne Davignon to discuss a voluntary code limiting steel deliveries to reinforce the new compulsory cuts in production. Back Page

● KOCKUMS, the State-owned Swedish shipyard, blamed a net loss of SKr 362.1m (£35m) for the first eight months of the year on business lost through subsidies offered by foreign yards. Page 23

● SEAMEN'S union refused to call off a national one day strike planned for Monday over Cunard's plans to sail a cruise liner under a foreign flag. Page 4

● BUILDING employers' federation warned of higher unemployment if the next pay settlement is "excessive." Page 4

● DAVIES AND NEWMAN Holdings reported first-half losses of £716,000 (£590,000) before tax. Page 20

● AUDIO FIDELITY said pre-tax profits fell from £543,841 to £99,048 in the year to April. Page 20

● GREAT UNIVERSAL Stores, mail order group, reported strong unaudited pre-tax profits for the first five months of the year. Page 20, and Lex, Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
...algs. Dist. Pdcts.	57	+ 3
...Charity Invs.	60	+ 10
...C	152	+ 6
...law	31	+ 7
...	217	+ 7
...ian Sugar	17	+ 5
...ardine Matheson	275	+ 20
...ardine Securities	132	— 10
...rtate	68	+ 26
...Hitain	350	+ 20
... Corpn.	170	+ 30
...al Pacific	535	+ 35
...ridge	222	+ 19
FALLS		
...ec. 12¼pc '99	£84½	— ¾
...	216	— 5
...	247	— 11
...a Rue	860	— 25
...	52	— 10
Grovebell	8	— 2
Intnl. Thomson	354	— 9
Ladbroke	227	— 6
Lloyds Bank	342	— 6
London Utd. Invs.	190	— 10
SGB	152	— 6
Tube Invs.	208	— 10
Unilever	453	— 7
Wettern Bros.	62	— 8
Zenith A	52	— 4
BP	476	— 8
Shell Transport	466	— 8
Sun (UK) Royalty	450	— 60
Tricentrol	410	— 16
Ultramar	478	— 15
Ashton Mining	149	— 11
Cons. Gold Fields	646	— 16
ERGO	646	— 30
Kitchener Mining	335	— 40
Minorco	655	— 65
West Driefontein	£43¾	— 2¾
Western Hldgs.	£46¾	— 1¼

Ford UK warns of 'almost non-existent' second-half profits

BY NICK GARNETT, LABOUR STAFF

FORD UK, whose U.S. parent on Tuesday reported a $595m (£244m) third quarter loss, said yesterday that its performance had slumped so severely as a result of the recession that it was now barely breaking even. Ford is traditionally Britain's most profitable motor manufacturer.

In an unprecedented statement on the company's half-yearly performance, Mr. Paul Roots, Ford's director of labour relations, told union officials at the start of the company's annual wage negotiations that during the second half of this year profits had been "almost non-existent."

The position adopted by the company, which is under pressure from its U.S. parent to achieve the best financial results in a period when almost every Ford operation worldwide is running at a loss, suggests that this year's pay talks could prove very difficult.

The management indicated clearly yesterday that it would be striving to secure a settlement within single figures in the face of a claim for substantial increases, apparently above the rate of inflation, for Ford's 57,000 manual workers.

In an initial response to the claim, which the unions argued the company could afford, Mr. Roots said Ford was in the middle of a recession and facing competition from domestic and foreign competitors more intensive than ever before.

The company, which last year made a pre-tax profit of £386m, had also been forced into "unprecedented financial expenditure" to match competitors which had indulged in a combination of price-cutting, expensive incentive schemes and "extravagant promotional programmes."

"The result is that for the full year our revenues are likely to be down and profits will be down substantially. The effect is that the second half profits—the results we are earning right now—are almost non-existent."

BL made a net loss for the first half of this year of £180m and Talbot UK lost £19.6m. Ford has 13,000 workers on some for of short-time working, mainly in components, but its market share is being maintained at about 28 per cent. Its position is obviously not as severe.

Mr. Ron Todd, Transport and General Workers Union national organiser and chairman of the trade union side of Ford's national joint negotiating committee, said yesterday that the company could afford to meet the claim taking into account its performance over a period of years.

The unions, which last year secured a 21.5 per cent settlement, were not prepared to see their wages eroded, he said.

In the claim—which also includes a threshold arrangment, an immediate one hour reduction in the working week and consolidation of an attendance supplement—the unions argued yesterday that a rise of £15 to £17.50 was needed to maintain the value of pay rates agreed last year.

For the 22,500 workers in the largest single grade at Ford, the current basic for 40 hours day work is £89.52 and for alternating shifts £104.44.

However, Mr. Roots told the unions: "We are not at this point in a position to absorb another premium wage settlement beyond our domestic and foreign competitors as we did last year."

Arthur Smith, Midlands Correspondents, writes: BL Cars appeared increasingly confident last night that its unions would be thrown into confusion about whether or not a mandate had been gained for strike action in pursuit of their 20 per cent pay claim.

Figures released by the company yesterday suggested that 36,400 workers at 17 plants had voted to support a strike in protest at the 6.8 per cent BL offer. But 32,830 employees at 21 factories had rejected the strike call.

Car makers to cut jobs in France, Back Page

Express Newspapers asks employees for pay freeze

BY PHILIP BASSETT AND ALAN PIKE

EXPRESS NEWSPAPERS yesterday gave its 7,000 employees seven days to agree to a six-month wage freeze. If the group fails to obtain the agreement printing in London of its Daily Star newspaper will end.

Senior union officials are convinced that, if the Daily Star reverts to being printed only in Manchester, the paper will close.

Management representatives yesterday denied this was inevitable but acknowledged that a return to printing in one centre would be a backward step commercially.

The demand for economies at Express Newspapers was announced as Associated Newspapers' heavily loss-making London Evening News was published for the last time.

But Lord Rothermere, chairman of Associated, announced that next September has been fixed for the launch of the new Sunday newspaper which the group has been considering for some time. Negotiations are in progress with print unions and only a breakdown in these could stop the launch, he said.

Express Newspapers told union and departmental representatives of its employees that London printing of the Daily Star would be guaranteed for 12 months if they agreed to the six-month moratorium on wage increases.

Pay increases for the group's print workers, in common with those of other Fleet Street print employees, are due on January 1. The Newspaper Publishers' Association has offered national newspaper printing workers increases of 5 per cent from that date, to a maximum of £15 a week.

Included in the offer is a penalty clause making clear that workers would not be paid if they took unofficial industrial action which prevented publication.

Though the NPA offer is still being considered by the unions, Lord Matthews, chairman of Express Newspapers, agreed at the meeting that the group envisaged a settlement of about 5 to 6 per cent when the six-month pay freeze ends.

Express journalists will not be affected by the freeze, since their setlement date is July 1. However, any offer made to them is unlikely to exceed the general print offer.

The freeze would aim at achieving savings of about £2.5m. If the employees refuse to agree to the proposal the London printing of the Daily Star could end within a week of that decision.

That could mean the direct loss of about 150 jobs.

The initial indications from many of the unions yesterday were that they felt they had little choice but to accept. However, the responses of individual union chapels (branches) could well differ from that of national officers.

Officials of the print unions NATSOPA and SOGAT said at the meeting that they would be prepared to accept the proposal, as did representatives of the company's sales staff and engineering workers.

At the meeting no one from the National Graphical Association, the main print craft union, gave any idea of their response.

Mr. Jocelyn Stevens, the Express group's managing director, said there was "nothing sinister" in this, and the management is hopeful of securing the NGA's agreement. The NGA's response could be crucial.

Lord Matthews told the meeting that no company could sustain the level of the group's current losses. He indicated, too, that "further co-operation" from the workforce might be necessary after the freeze to secure the future of the whole group.

How the Star strategy went away Page 4

Forte in £16m deal with Thorn

BY CHRISTINE MOIR

TRUSTHOUSE FORTE has bought a £16m package of leisure interests from Thorn EMI which includes the Blackpool Tower, Winter Gardens and Golden Mile amusement complex and the Empire Ballroom and Cinema in Leicester Square, London.

With the transfer goes Bernard Delfont, both the man and his company with its interests in the Prince Edward, Prince of Wales and Palace theatres in the West End.

Lord Delfont takes up the position of chairman and chief executive of THF's now expanded Trusthouse Forte Leisure subsidiary. He will remain a non-executive director of Thorn EMI, however.

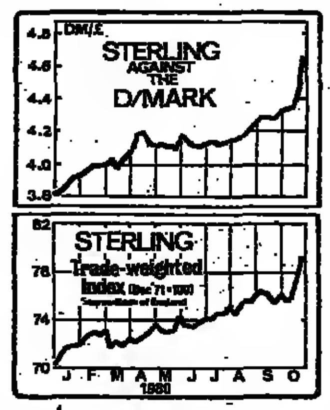
The leisure interests sold by Thorn EMI comprise the sports division, which runs 18 squash courts, five ten-pin bowling clubs and the Chichester yacht marina; the dancing division with its 10 ballroom-cabarets; and the Blackpool Tower Company.

The book value of the assets involved are said by the company to be about £15m. Lord Delfont acquired the Blackpool Tower Company for EMI in 1967 for £4.7m.

The disposal of the leisure interests brings to £55m the total raised through asset sales since Thorn took over EMI earlier this year.

Thorn EMI's leisure interests will now be concentrated on film production and distribution, cinemas and television interests plus the nationwide chain of bingo centres which is not included in the package sold to THF.

THF buys a view Page 4



Renewed gains by £ and $

By Peter Riddell, Economics Correspondent

STERLING and the dollar yesterday made further large gains against other currencies while the Deutschemark remained under pressure in the European Monetary System.

The foreign exchange markets were, however, generally less hectic than earlier in the week and big early gains were partly cut by the finish as open trading positions were closed ahead of the weekend.

At one stage sterling rose above DM 4.66 before closing at DM 4.63½—a rise of 1¾ per cent in the last week and 7 per cent in October.

The dollar has also made large gains against the Deutschemark — yesterday touching a peak of DM 1.914 before closing at DM 1.90½ for a gain of 1.9 per cent on the week and 5 per cent on the month.

The dollar was also strong yesterday against the pound, which closed 20 points lower at $2.4365, slightly down on the week.

The rise in the dollar is largely in response to a sharp increase in U.S. interest rates. Three and six month Euro-dollar rates have risen by roughly 1½ points in the last week. Sterling has been held up against the Continental currencies by expectations that UK interest rates will remain high.

The pound's trade-weighted index rose 0.2 points to 79.2 after a day's high of 79.5 for a 4½ per cent appreciation during October.

£ in New York

—	Oct. 30	previous
Spot	$2.4440-4450	$2.4375-4385
1 month	0.59-0.56 dis	0.57-0.52 dis
3 months	0.97-0.93 dis	1.00-0.95 dis
12 months	1.65-1.55 dis	1.80-1.70 dis

IRAQ WANTS RAPIER MISSILE

Damascus 'giving direct military aid to Iran'

BY ALAN CASS AND ANTHONY McDERMOTT IN DAMASCUS

THERE IS mounting evidence that Syria is giving direct military aid to Iran in the war against Iraq.

In spite of official denials by Syria, it seems probable that ammunition and arms have been shipped by air from Damascus to Iran.

At the same time Iraq is understood to have made an official approach to Britain about the possibility of purchasing the Rapier low-level anti-aircraft missile.

Although Britain has no formal embargo on arms sales to Iraq, no weapons have been delivered since the Hawker Hunters ordered before the overthrow of the Iraqi Monarchy in 1958.

The most recent evidence of the alliance between Syria and Iran was the presence at Damascus International Airport on Thursday of two Iranian air-force Boeing 747s with identifiable military markings. They were parked near an Iranian air commercial jumbo in front of the main terminal building.

The previous Sunday, diplomats had seen another Iran Air 747 at the airport being loaded by the Syrian army with crates, assumed to be ammunition and arms.

This was the second incident observed since the first week of the war when six U.S.-built Iranian C-130 transport aircraft arrived, it is believed, to collect the first shipment of arms.

The most probable explanation of the blatant nature of these exercises is that the Syrians have been deliberately trying to signal to President Saddam Hussein of Iraq their support for the Iranian Government.

In political terms, this support makes sense, for although ruled since the 1960s by different branches of the Socialist Ba'ath Party, the two governments have been sharply at odds.

This rivalry was increased by the failure, last year, of an attempt at political union, initiated in October, 1978.

Richard Johns writes: Iraq's need for the Rapier, generally regarded as the most effective low level anti-aircraft missile in the world, has been highlighted by the ease with which Iranian F-4 Phantom fighter bombers have been able to penetrate its defences.

The Soviet SAM-3s, SAM-6s, and portable, heat-seeking SAM-7s have proved no real match for the Phantoms and their electronic counter - measure systems.

At the outset of the war Iran, by contrast, had—on paper at least—five squadrons of Rapiers, while the army possessed the U.S.-made Hawk missiles.

Both the Foreign and Commonwealth Office and the Ministry of Defence have been surprised by the approach following two decades of bad relations with Iraq.

It broke diplomatic relations with the UK in 1967 because of Britain's alleged support for Israel in the June war.

Relations were restored but broken again in 1971 by Baghdad in protest against British acquiescence over Iran's seizure of the Abu Musa and the Tunbs, in 1971 on the eve of the United Arab Emirates' independence.

Hostage hopes rise

BY OUR FOREIGN STAFF

INDICATIONS emerged from Iran yesterday that the regime was preparing the ground for the release of the 52 U.S. hostages.

Tehran radio, broadcasting in Arabic, said a just method for freeing the hostages had been worked out. In an address to a Friday prayer meeting, Mr. Mohammed Ali Rajai, the Prime Minister, spoke of "dragging spare parts out of America's throat."

But despite this ambiguous rhetoric and the continuing need for U.S. equipment to replace that lost in the Gulf War, there is still doubt that any release could come before November 4, the day of the U.S. presidential election.

Islamic groups in Iran have called for countrywide demonstrations to mark the first anniversary of the taking of the hostages, which falls on the same day.

Mr. Rajai said Iran would obtain U.S. military spare parts "by force." The Tehran radio broadcast spoke of a plan for the release of the hostages. It said: "The release of the spy hostages should not be interpreted as an unjust act, since they have spent a year of punishment under the people's control." The radio does not necessarily reflect Government policy.

U.S. foreign policy Page 19

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هكذا من الأهل

OVERSEAS NEWS

Polish union agrees on role of Party

BY ANTHONY ROBINSON AND CHRISTOPHER BOBINSKI IN WARSAW

POLISH GOVERNMENT and independent trade union negotiators paved the way for a negotiated agreement over a wide range of union grievances yesterday by deciding to abide by what is expected to be a favourable Supreme Court judgment on November 8 over the role of the Communist Party.

The clause about the party, which binds the unions formally to recognise its leading role, was unilaterally inserted into the union statutes last week by the magistrate who registered the new union, Solidarity.

Agreement on this key point allowed the negotiators—a 76-strong team of union delegates led by Mr. Lech Walesa, and a Government delegation led by Prime Minister Josef Pinkowski—to pass on and discuss the other five points on the agenda.

A compromise formula was also agreed on the question of access to the media, when the Government agreed to allow the unions to publish their own independent weekly paper.

Since the Gdansk agreements of August 31, union leaders have occasionally been interviewed on radio and in the Press, but access to television has been restricted. The unions are pressing for regular access to all media.

Significantly, Poland's leading political weekly, Polityka, edited by central committee member Mr Mieczyslaw Rakowski, appeared yesterday with an interview on its front page and a photograph of union leaders, including Mr. Walesa. For the first time in the Polish Press the photograph also included a leading member of Kor, the dissident group.

The Government argued that in view of Poland's paper shortage, it was just not possible to allocate enough paper for a daily newspaper, which, embarrassingly, could well sell more copies than the Party daily.

Negotiations were continuing last night on the economic aspects of the union's claims.


Mr. Pinkowski

These include a demand for immediate payment of wage increases already agreed and a more equitable distribution to favour the lower paid.

The Party newspaper Trybuna Ludu yesterday reported that Poland was importing an additional 30,000 tonnes of meat from the West. This is clearly meant to defuse union demands at a time when meat and even basic foodstuffs like sugar and potatoes are in increasingly short supply. The unions are also demanding the introduction of meat rationing by January 1.

The question of improved food supplies is intimately tied up with the most embarrassing of the union's list of demands—registration of the independent farmers' union. So far, this has been turned down on the grounds that as self-employed people, farmers could not register either as workers or employers.

In political terms however, the Communist Government is deeply reluctant to legalise an independent farmers' union which, given the farmers' economic independence, would create a powerful and independent social and political force.

Output cut in Alberta challenge on oil

BY JIM RUS

CANADA'S largest oil-producing province, Alberta, will cut its conventional oil production by 15 per cent in retaliation against the unilateral setting of Canadian oil prices by the Federal Government earlier this week.

In a televised address to the people of Alberta—which accounts for 85 per cent of Canadian oil production—its Premier Mr Peter Lougheed, said the province had no choice but to respond negatively to the energy measures in the Federal Budget.

He described Ottawa's new energy policy as "an outright attempt to take over our resources" and announced four measures designed to force the Federal Government to negotiate with the province.

The toughest measure is a planned reduction of 180,000 barrels a day of conventional oil production in three equal stages, three, six and nine months from now, representing about 10 per cent of Canadian oil requirements.

Alberta also plans a court challenge to the new federal tax on natural gas, to hold up plans to build an oil sands plant and a heavy oil plant—already delayed for more than a year by federal-provincial wrangling—and to mount a public relations campaign against Ottawa.

The Premier said, however, that Alberta would not hold the rest of Canada to ransom. The cutback in production would be rescinded if an oil-supply crisis developed.

Alberta's goal in any resumed negotiations is to get Ottawa to agree to a formal link between Canadian oil prices and world levels, a policy that was accepted by the former Conservative government of Mr Joe Clarke, defeated in last February's election.

Under Mr. Pierre Trudeau, the Liberals campaigned successfully against the idea last winter and the Liberal government and Mr. Lougheed have failed in several attempts since to get an energy-price agreement.

On Tuesday Ottawa announced that it was setting prices unilaterally. The complex pricing regime it imposed breaks the price for domestically-produced oil away from OPEC prices, even though Canadian consumers will feel the impact of world prices for imported oil.

In his speech Mr. Lougheed acknowledged that the Federal Government had the power to set prices in inter-provincial trade, so that Alberta had been forced to use its constitutional right to control resources within its boundaries.

Italy raises taxes and petrol

By Rupert Cornwell in Rome

THE ITALIAN Government last night raised the cost of petrol, increased several other indirect taxes, and boosted next month's provisional income tax payments as the first stage of a new strategy to cool down the country's overheated economy.

The rise in the petrol price to L775 a litre (equivalent to £1.57 a gallon) from L700, the higher Value Added Tax levies and duty on alcoholic drinks plus the income tax provisions were reckoned to bring about an extra L1,900bn (£900m) of revenue into the exchequer.

Ironically, this amount is almost exactly the same as the estimated loss just revealed under the alleged tax fraud on petroleum product duty during the 1970s, now being unravelled by magistrates and police here.

The new measures replace some of those which lapsed when the previous Government fell on September 27. But they have become more urgent than ever as Italy's economic difficulties have grown. A current account deficit of L6,000bn (£3bn) is forecast for 1980, while inflation is running at over 21 per cent, and the trade deficit at £614m monthly.

It now also appears likely that Parliament will approve amended draft Bills restoring the concessions to industry over its welfare payments, also lost with the collapse of Sig. Francesco Cossiga's Administration.

Meanwhile, the lira continued its decline against sterling and the dollar yesterday, as the Milan Bourse touched new peaks for the year. The pound has now reached L2,199, a gain of 11.4 per cent over three months, and around 25 per cent since the start of the year.

Gilmour attacks East Berlin travel costs

SIR IAN GILMOUR deputy British Foreign Secretary, yesterday condemned East Germany's sharp increases in the minimum exchange requirement for Western visitors, Reuter reports from West Berlin. Britain regarded contacts between East and West Germans to be one of the main benefits of international agreements on Berlin's status signed in 1971, he said.

The new measures, introduced earlier this month in an apparent attempt to cut down the number of West German visitors, quadrupled the cost of travelling to East Berlin and doubled the levy for the rest of the German Democratic Republic.

Flights grounded

GREECE'S 200,000 civil servants started a two-day strike yesterday, disrupting the country's administrative system and grounding all internal and external air flights, Reuter reports from Athens. The civil servants are pressing for salary increases in line with the cost of living, and the introduction of a five-day week.

Oil replaced

FRANCE HAS made up in new contracts the equivalent of three-fifths of the oil supplies it lost because of the Gulf war, M. Andre Giraud, the French industry and energy minister, said in a television interview yesterday, Reuter reports from Paris. France lost between 20 and 25 per cent of its supplies when the war started.

EUROPEAN STEEL CRISIS

Why the Brussels Commission had to step in

BY GILES MERRITT IN BRUSSELS

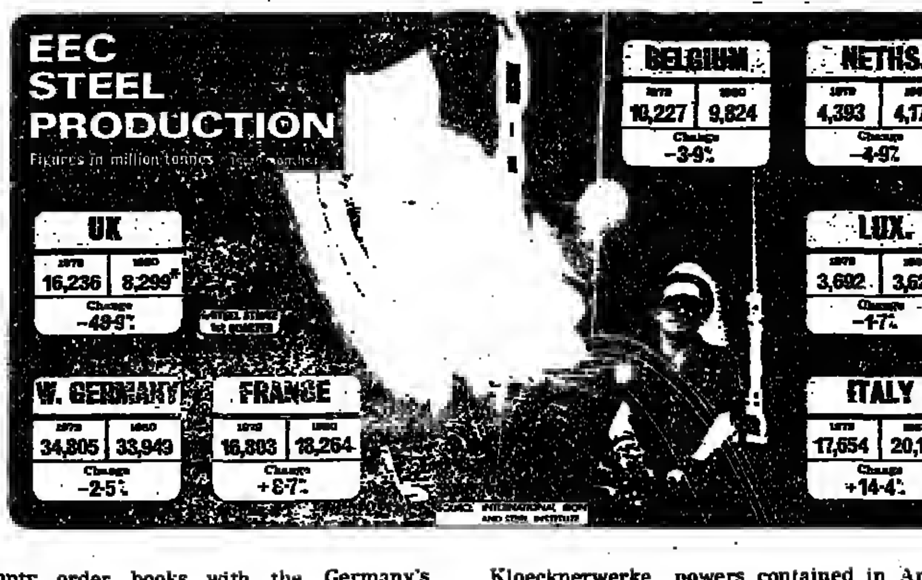
"YOU COULD say that it is the best of a bad job," remarked one European steel industry executive who had travelled to *Luxembourg* for the latest round of crisis talks at the end of this week. "But that doesn't necessarily make it a good job."

He meant, of course, that Europe's steel producers still have doubts about the practicability of the compulsory production curbs regime which make the Brussels Commission overlord of the EEC steel industry until at least mid-1981, but that any alternative to the present, ruinously expensive, steel prices war is welcome.

The steel-producing giants of the EEC are this year likely to chalk up combined financial losses totalling up to £2bn following the collapse of industrial demand which started in the early summer. Coming hard on the heels of the mini-boom that had begun in the second half of 1979, the price slashing which resulted cut average steel prices by 30 to 35 per cent in five months.

Until September it had been hoped that a tightening of the price and delivery disciplines under the Davignon Plan—the voluntary three-year-old anti-crisis deal negotiated by EEC Industrial Commissioner Viscount Etienne Davignon—would restore market order.

But it soon became clear that the coincidence of suddenly empty order books with the comparatively high production levels of the eight months boom in 1979-80 had structurally destabilised the steel market in Europe. A further important factor was the drying up in the second quarter of 1980 of "safety valve" exports to the U.S. market, caused by the massive anti-dumping suits launched against European producers by U.S. Steel.



If one identifiable straw broke the camel's back of the Davignon Plan, however, it was the open price rebellion of West Germany's Kloecknerwerke after a dispute with Brussels and its main West German competitors over the output levels that should be allowed at its new Bremen plant.

By the second half of September the Davignon Plan was in ruins, as was temporarily the Brussels-based Eurofare grouping which links 90 per cent of the ECC's crude steel capacity into a single negotiating forum. At first, M. Davignon and his colleagues in the European Commission rejected suggestions that hitherto unused compulsory powers contained in Article 58 of the European Coal and Steel Community's Treaty of Paris would need to be used.

But the chaos in the steel industry rapidly made it plain that there was little alternative to the use of mandatory production controls to cut output.

Member governments' reservations over handing such tough policing powers to Brussels, and the Commission's own doubts about shouldering the responsibility, were both dispelled by the steel producers' continued refusal to agree the fresh voluntary pact urged on them by M. Davignon.

The upshot was that on October 7, the nine member governments of the Community were asked to give their approval for a state of "manifest crisis" to be declared in the EEC steel industry, so that the Commission could dictate new and considerably reduced production quotas for the 350 concerns that make up the bulk of the steel industry.

West Germany refused. Although Bonn's political and indeed ideological objections to Article 58 had been well known, its decision to oppose the scheme when the crisis was already prompting steel lay-offs throughout Europe, caused bitter resentment.

Throughout October, West Germany blocked the new steel regime, and on October 30 only reluctantly accepted it, providing a number of special steel products were exempted, as a means of protecting its large independent special steels sector.

Bonn is meanwhile planning to ensure that the scheme is not allowed to become a shelter for inefficient steel producers elsewhere in the EEC. It will be demanding at Council of Ministers meetings during November that the whole issue of State subsidies to steelmakers and restructuring measures to reduce levels of unused capacity should be tackled immediately.

W. Germans greet new agreement with scepticism

BY JONATHAN CARR IN BONN

GOVERNMENT and industry leaders here have accepted the Luxembourg accord on steel as an unsatisfactory compromise which it will be hard—if not impossible — to put into practice.

Count Otto Lambsdorff, the Economics Minister, stressed yesterday that the agreement was due to expire at the end of June next year and that, in his view, there was no question of renewing it.

He told a Press conference that in the meantime the Bonn Government would naturally give "loyal support" to the European Commission's efforts to control the complex quota system.

However, he was impatient to see just how the Commission would try to fulfil in practice the various difficult criteria which had now been accepted by the nine EEC member states. He was "extremely sceptical" about the prospects of success.

Count Lambsdorff is known to be even more pessimistic than his public remarks indicated—and his views are shared by other senior Government officials. Government talks with German steel concerns before the Luxembourg accord showed that many companies were not willing to accept a voluntary system of delivery quotas.

However, it is felt that such a system will be essential if the production quotas system is to be effective. It is also noted that the Commission has no powers under Article 58 of the treaty establishing the European coal and steel community to impose mandatory controls on delivery as well as production.

Further, it is not clear how the system can be satisfactorily monitored. The metalworkers' trade union, IG Metall, yesterday expressed fears that the effort and expense of controlling the new system might simply counter-balance the advantages.

The union said it was "intolerable" that the Germans should be asked for a special sacrifice when their steel industry had modernised, mainly with non-Government funds.

The question remains why West Germany, much the largest EEC producer with 46m tonnes of crude steel last year, was ready to accept the Luxembourg decision.

Count Lambsdorff stressed that a veto by Bonn would have brought chaos to the Community steel market, including dumping on a huge scale, and that in any case some 25 per cent of German steel production has been excepted from the quotas.

He also agreed that discord among German steel producers had helped bring down the previous system of voluntary control in the EEC. The next months had to be used to try to bring a more effective voluntary scheme into being again after June 1981.

Republicans approve World Bank nominee

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER secured the informal approval of close advisers to Mr. Ronald Reagan before naming Mr. A. W. (Tom) Clausen to succeed Mr. Robert McNamara as President of the World Bank.

Mr. George Shultz, the former Treasury Secretary and now chief economic counsel to the Republican candidate, issued an immediate endorsement of Mr. Clausen as "a first class banker" familiar with the problems of the developing world.

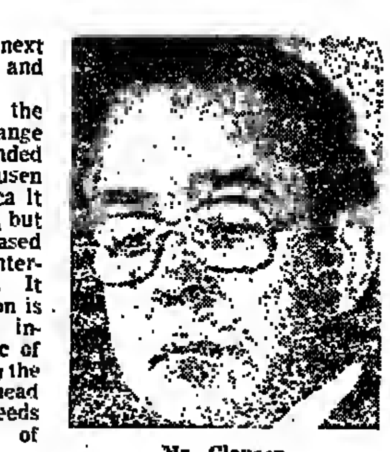
It has been thought that no announcement would be made until after the U.S. Presidential election. Any appointee, it was argued, would be reluctant to take on the job without being assured of the full confidence of the incumbent president of the U.S., which remains the biggest single source of funding for the World Bank.

Mr. Clausen, however, is acceptable to both candidates. As an essentially establishment Western banker, he may be less welcomed by some of the developing countries anxious to redress the balance of economic power in the world.

Although his appointment is nothing like as controversial as that of Mr. McNamara, who played a major part in U.S. involvement in the Vietnam war, he shares the passions of the man he will succeed next July 1 for organisation and management.

Under Mr. McNamara, the World's Bank's lending, range of activities and staff expanded exponentially; while Mr. Clausen headed the Bank of America it was transformed from a vast, but unwieldly, California-based operation into a versatile international commercial bank. It

One particular qualification is Mr. Clausen's consuming interest in the Far East. One of the biggest challenges facing the World Bank in the years ahead is meeting the economic needs of the People's Republic of China, now a member again.


Mr. Clausen

Carter, Reagan sweep wide for final waverers

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

IN THE home stretch of the Presidential marathon, Mr. Ronald Reagan yesterday took his Republican quest back to the industrial Mid-West, while President Carter swept across Florida, Tennessee, Mississippi and Texas, seeking to regain his once firm grip on his native South.

Leaving no issue unturned in this tightest of races for the White House, both campaigns are making political use of the other's personnel problems. Mr. Reagan yesterday accused the President of "dragging his feet" in the Justice Department investigation of his brother Billy's links with Libya.

This followed a quite separate embarrassment to the Carter White House of having to pull its Congressional liaison chief, Mr. Frank Moore, off the campaign trail for claiming to the Press that the Ayatollah Khomeini, Iran's ruler, was dying of cancer of the colon.

Sharp charges flew in the opposite direction, when Mr. Jody Powell, the Carter press secretary, accused Mr. Reagan of having "a national security adviser working for the Japanese," in Mr. Richard Allen, who abruptly left the Reagan team on Thursday for the rump of the campaign. Mr. Allen, long tipped for a top job in a Reagan administration, has not denied he is still on a consultancy retainer for the Nissan company.

Each of the two main candidates is claiming last Tuesday's nation-wide televised debate, has given his campaign the momentum to win this neck-and-neck race. The Reagan camp drew fresh adrenalin yesterday from the latest Harris/ABC network poll giving the Republicans have all shown Mr. Carter 40 per cent, and Mr. John Anderson the Independent runner, 10 per cent.

The sharp shrinkage in the number of undecided voters indicates that the Cleveland television debate may have ended a prolonged period of political procrastination by the electorate

Mixed reaction to apartheid overhaul

By Quentin Peel in Johannesburg

Blacks reacted yesterday to the South African Government's proposed overall of its complex race laws with suspicion, anger, and some cautious optimism.

While welcoming proposals to allow greater mobility for urban black workers, most black leaders charged that the reforms would perpetuate discrimination in another form. But white business, and blacks in the African Chamber of Commerce, welcomed the intention to streamline the cumbersome apartheid system.

Even leaders of Government-created black institutions warned that the proposals announced on Thursday by Dr. Piet Koornhof, the Minister of Co-operation and Development, failed to meet black expectations.

Mr. Steve Kgame, president of the Urban Councillors Association, welcomed proposed legislation to give black community councils greater powers, but warned that it was "a belated attempt to satisfy the black man .... the times today do not just demand that the black man must handle his own affairs," he said. "The black man must now become part and parcel of the running of the country."

Dr. Nthato Motlana, chairman of the Soweto Committee of 10, said the proposals for more powerful councils were worthless as long as they failed to introduce freehold property tenure and provide rates as finance. And he attacked the proposals to streamline the influx control laws which dictate where blacks may live and move as "two steps backwards."

"We are not interested in the creation of a so-called black aristocracy," he said. He saw the proposed new laws as "part of the total strategy of tightening the control of blacks in all spheres of life."

While the proposals are supposed to reduce the number of petty regulations affecting urban blacks, they also tighten up the controls on rural blacks coming to urban areas—providing for stiff fines on anyone employing or housing "illegal" blacks in urban areas, and proposing a law to impose the motor car of any r... black coming to an urban without qualifying through the present bureaucracy.

Canute James, in Kingston, profiles Jamaica's new Prime Minister

Edward Seaga faces his severest test

THERE IS a story that just over two decades ago Mr. Edward Seaga, the Jamaican Prime Minister designate, attempted to become a member of the social democratic People's National Party, which he defeated in Thursday's election.

He was rejected, the story runs, because he was considered by the PNP leadership of the time to have Communist leanings and to be too "radical" for the party.

Some months afterwards the late Sir Alexander Bustamente, founder of the Jamaica Labour Party, spotted the political promise of young Seaga, and drafted him into the ranks of the party.

This may or may not be a bit of local political fiction—it has not been denied, but neither has it been given any validity by local politicians — but if it is true, it would be the ultimate irony, and a source of great pain to the PNP, in the light of Mr. Seaga's landslide victory.

Mr. Seaga's brand of politics is underlined by a hard-nosed, pragmatic approach, reflected in an always serious, unsmiling appearance.

Among Jamaicans, Mr. Seaga evokes one of two vastly differing reactions—adoration or extreme dislike. There are very few who are lukewarm, least of all in his West Kingston constituency which he has represented since 1962. He spent several years attempting to rebuild this area—one of the most depressing slums in the city—transforming it into a colony of high-rise apartments, towering in stary contrast with the teeming slums which surround it. In this stronghold, Mr. Seaga, 50, is an idol.


Jubilant supporters hoist a victorious Edward Seaga.

The new Prime Minister's political outlook is fashioned by an unbending belief in the free enterprise system. He is also virulently anti-Communist, in keeping with Labour Party policy—which sees Jamaica's economic and political future as being closely tied to that of the U.S.

This is perhaps a consequence of the fact that Mr. Seaga was born in the U.S. of Jamaican parents.

A Harvard graduate, Mr. Seaga is by academic inclination a sociologist, who has researched extensively many aspects of Jamaican folk culture. This took a back seat in 1959, when he was invited by Sir Alexander Bustamente to sit in the Upper House, launching Mr. Seaga, at the age of 29, on his political career.

He was a key participant in framing the constitution for an independent Jamaica, and following his 1962 election to the Lower House was appointed Minister of Development and Welfare. After the re-election of the Labour Party in 1967 he was Finance Minister until the party lost the 1972 election.

Mr. Seaga resigned from the party after this defeat, but returned when asked to replace the former Prime Minister, Mr. Hugh Shearer as Opposition leader.

As Finance Minister, Mr. Seaga acquired a reputation as a financial wizard—which has been used in the campaign for this week's election to good effect, given the poor state of the Jamaican economy.

However, the situation which he inherits will be a severe test of his leadership and his reputed financial abilities. He will have to deal first with the outbreak of violence, where party political clashes, traditional at Jamaican elections, have been accompanied by a rash of murders by heavily-armed gangs.

Mr. Seaga's second major hurdle is mending the economy characterised by an unemployment level of 31 per cent, and unable to find foreign exchange to purchase basic imports of food, raw materials, machinery and drugs.

The prospect is not daunting to Mr. Seaga. He said after his victory: "I have accepted the challenge of bringing the people of the country together . . . to build a nation."

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Tung group halves Manchester Liners fleet in shake-up

FINANCIAL TIMES REPORTER

THE FLEET of Manchester Liners, one of the British pioneers of cootainer shipping, has been cut by nearly half, followiog its takeover by the Hoog Kong based C. Y. Tung group earlier this year.

Manchester Liners has been facing considerable financial problems for some time. A large part of its fleet was not needed and was proving a heavy finaocial burden.

To stem the losses at Manchester Liners, the Tung group has acquired two of its container ships, the Maochester Vanguard and the Manchester Venture. Both ships had been laid up during the summer at Falmouth.

Two more ships have also been sold — the Manchester Vigour and the Manchester Concept. The Tung group hopes to redeploy many of the surplus staff elsewhere in the pareot group, Furness Withy.

The details of the changes at Manchester Liners are revealed in the latest issue of the Furness Withy house journal.

The journal says that Furness Withy's profits have improved substantially in the first half of 1980. Pre-tax profits have jumped from £0.9m to £7.0m. At the trading level Manchester Liners made a profit of £0.4m compared with a losa of £1.3m in the comparable half of 1979.

The bulk shipping operations have also swung back into profit. Furness Withy (Chartering) has improved its performance subatantially as has Houlder Offshore, where first half profits are more than doubled at £3.4m.

The reduction in Manchester Liners' fleet has been more than compensated for by an increase in the overall Furness Withy fleet. Three ships, previously managed by the Tung organisation in London, Dart America, Dart Canada and Atlantic Splendour, are heing transferred to Furness Withy (Shipping) in November.

A new products tanker, CYS Mariner, is being manned by Furness Witby officers and the Oceanic Victory, a 113,000 dwt oil-hulk-ore carrier is being switched to Furness Withy management early next year.

Fisons faces Christmas tree payout to parson

WEED KILLER mannufacturers, Fisons, has to pay np to £100,000 in damages to a country parson following a high court ruling yesterday.

The action involved the loss of most of a crop of Christmas trees planted to raise cash for the restoration of St. Mary's church in Dallinghoo village, near Woodbridge, Suffolk.

Most of the trees, planted by the Rev. Edgar Pearson, 63, withered and died after being treated with the weed killer, Atrazine 50, made by Fisons.

Mr. Justice Gibson said yesterday that Fisons must pay for the damage. However, he did not fix the sum.

He gave figures from which it can be calculated and adjourned the case for lawyers to arrive at a final sum. But lawyers said afterwards the final pay-ont was not likely to be less than £50,000 and could be as high as £100,000.

Fisons had contended that part or all of the damage was because Atrazine 50 had been applied in excess of the recommended rate.

"In my judgment this part of the defendants' case has not been made out and the defendants are liable for all damages through the application of Atrazine 50 by Mr. Pearson," said Mr. Justice Gibson.

He said Mr. Pearson was a careful man and was satisfied that he had applied the week killer in accordance with the instructions.

The church council had claimed damages of £262,284 for alleged mis-representation, breach of contract and breach of warranty arising ont of the use of the weed killer.

Fisons admitted breach of contract and breach of warranty hnt denied misrepreseotation. They contested the case on the cause of the damage and the amount of loss suffered.

The case will be restored at at later date failing agreement on the figures.

Labour peers protest at civil aviation policies

BY IVOR OWEN

OPPOSITION peers protested in the House of Lords yesterday that Government policies are adding to the difficulties facing British Airways.

From the Labour front bench, Lord Ponsonby of Shulbrede emphasised the uncertainty hanging over British Airways as a result of the Government's decision to postpone its conversion to a private sector company.

He warned, too, that attempts to pressurise foreign airlines into uslog Gatwick instead of Heathrow may lead to traffic being lost to continental airports.

Lord Ponsonby suggested that Amsterdam and Paris could be the main beneficiaries if airlines decide to boycott Britain altogether rather than be driven away from Heathrow.

Other peers joined him in complaining about the steep increase in airport security charges and in calling for a better deal for airline users.

An attempt to amend the Civil Aviation Bill to compel the Secretary of Trade to publish an annual report on the Aviation Security Fund was defeated by 61 votes to 58, a Government majority of three.

Before the Lords finally approved the bill, Lord Trefgarne, Government spokesman, gave a further assurance that it was the Government's firm intention to proceed with the flotation of shares in the successor company to British Airways.

Lord Beswick (Labour) still maintained that the fact that the Government had postponed the share flotation until 1982 at the earliest must cast doubt on whether the introduction of private capital would ever take place at all.

POWs may get back pay

BY OUR PARLIAMENTARY CORRESPONDENT

BELATED justice could be on the way for the Service officers who were taken prisoner during the Second World War and have still not received the full back pay to which they were entitled.

This emerged yesterday when the Government announced the outcome of an inquiry into complaints that the UK made deductions from the pay of some officers in the mistaken belief that they were equivalent to sums paid ont by the anthorities in charge of the prisoner of war camps.

A further statement will be made to Parliament when an examination now being made of the possibilities for further action has been completed.

Minister tells companies to consult workers

INDUSTRIALISTS must involve their workers in decision-making, Mr. George Younger, Scottish Secretary, said yesterday.

If companies did not develop programmes for consulting their employees, there was a danger they would find a system imposed on them from the outside.

"We are not saying there is any one right way of involving employees, nor are we, the Government, proposing legislation to make a particular form of involvement compulsory," he said.

"But we are saying that managers must commit themselves now to developing a systematic and professiooal programme for consulting and involving employees."

Mr. Younger told a forum on industrial relations at Aviemore in the Highlands that involving workers io company decisions was the only way to develop a sense of common purpose in industry.

The image of a country's industrial relations record could often be a determining factor in an overseas company's decision to invest here.

But the frequently portrayed image of a "strife-torn Britain" did not stand np to examination. It would be foolish to deny that there were serious problems in some sectors, but in many industries the record was good.

Clearers unwilling to revise cheque account policy

STAFF costs of one of the Big Four London clearing banks have increased by more than 40 per cent in the year to June 1980. It says bank employees are now paid so well that hardly any are leaving. Other clearing banks either refuse to discuss staff costs or say the inerease does not exceed 30 per cent. One said the matter was politically sensitive. All of the Big Four report evidence of a slowing down in resignations. MICHAEL LAFFERTY reports.

DESPITE the almost daily tendeocy for banks to unveil new products for their personal customers, there is still oo sign that the big clearing banks are willing to pay interest on current accouot credit balances.

Last year, these interest free balances—which are said to cost up to 8 per cent to collect—accounted for most of the 70 to 90 per cent increasea in the clearers' UK profits.

These extra profits ware achieved as a direct result of the Government's high interest policies. In other words, the clearing banks could be said to have done nothing extra to earn them.

Many people overseas express amazement that English bank customers are so willing to give their money away to the banks by leaving unnecessarily large balances on current account.

They wonder bow it cao be that a country which boasts the banking ceotre of the world should have a population which is so finaocially uosophisticated.

In West Germany, for example, there is strong competition in the marketplace between the savings banks and the commercial banks.

All have arrangements for the transfer of surplus current accouot funds to interest-bearing savings accounts at fortnightly or monthly intervals. Many pay a small rate of interest on remaining credit balances on curreot accounts.

While there are signs of increasing competition in retail banking in Britaio, the vast majority of people bave no choice but to use the services of one of the big clearing banks.

In most parts of England they bave a choice between Barclays, Lloyds, Midland and Natiooal Westminster. Witb minor variatioos in bank chargiog tariffs, each of these banks offers the same current accouot facility.

Otberwise known as a cheque account, this is the only account which provides bank customers with a cheque book, standing orders, and direct debits.

The only way a baok customer can bave a cheque book is by opening a current account. If the account happens to be in debit, it bears interest at rates varying from 3 to 5 per cent over bank base rate, giving a current rate of 21 per cent.

The great advantage to the clearing banks comes on the other side—when people hold credit balances on their accounts. At present, no clearing bank is willing to pay interest on these balances, although when reinvested in the money market or through corporate lending, the money earns the banks interest of at least 16 per ceot per aooum.

The clearing banks maintain that their customers are well satisfied.

Some clearing bankers, like Mr. Fred Crawley, deputy chief geoeral manager at Lloyds, accept that the clearing banks will eventually pay current accouot interest. "But the speed with which this occura is governed by the extent to which we can recover the costs of servicing the accounts," he says.

This is the key to one of the clearers' greatest problema. Under present arraogemeots there is a great deal of cross-aubsidisation within their cost structure. At one extreme this means people with low usage-high balance curreot accounts are bearing the costs of people with accounts kept with a low balance but a high usage.

The clearers are afraid that if they move to pay ioterest on current account balances they will be unable to recover an equivalent amouot of income from bigher charges.

It may be, of course, that the clearers could endure a much reduced return from personal banking without finding it particularly unprofitable.

The present system, based on the oon-interest-bearing current account, has a tendency to encourage ioefficiency.

For example, last year's round of bank pay increases was well above the national average. It was justified on the grounda that the clearers were making good profits.

The question some hard-pressed industrialists are now aaking is wbether they should have been allowed to keep those profits in the first place.

EEC aid for Freightliner projects

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE FREIGHTLINER subsidiary of Britisb Rail bas been awarded £342,000 of grants from the EEC regional development fund for three projects in Scotland.

They involve the electrification of rail track near Glasgow and the construction of more container storage areas at Edinburgh and near Greenock.

The EEC fond will provide £251,400 towards £838,000 needed for overbead elecetrification on 4½ miles of rail track from Mossend, near Motherwell to Freightliner's terminal at Coatbridge by the middle of next year.

This will allow electric locomotives to haul Freightliner trains direct from the maio west coast line into the Coatbridge terminal. Freightliner has to switch to a diesel locomotive at present.

The rest of the EEC grant will go towards increasing storage space at the Edinburgh container terminal and reclaiming land near the Larkfield terminal, Greenock.

● A £1.5m rail freight terminal to relieve East Anglian minor roads of heavy traffic was opened yesterday by Mr. Ken Weetch, Labour MP for Ipswich. The site at Barham, Suffolk, will handle agreegates for the construction industry.

Former company chairman jailed

A FORMER company chairman, Mr. Kenoeth Sheridan, who cheated the Inland Revenoe of more than £11,000 over a five-year period, was sent to prison for nine months, fined a total of £15,000 and ordered to pay costs of £20,000 at Norwich Crown Court yesterday.

Mr. Sheridan, aged 59, who lives in Barbados, was convicted on 15 charges—four of uttering forged documents, six of false accounting, and five of making false statements with intent to defraud. He had pleaded not guilty.

As chairman of the display stand and furniture manufacturers Southgate Tubular Prodncts, of Methwold, Norfolk, Mr. Sheridan had heen accused of pocketing over £25,000 of the firm's cash, resulting in the loss to the taxman of around £11,000 because of unpaid bills.

Mr. Colin Lamb, for Mr. Sheridan, said his dishonesty was wholly out of character and he had passed the age of 50 before these offences occurred.

He had two bungalowa in this country worth £55,000, liquid assets of £20,000 and his house in Barbados was now worth £200,000.

But Judge Franks said there would be "a wholly justified feeling of outrage amongst the thousaods of ordinary people who have to pay their taxes week in and week out if they thought a man who consistently produced false accounts and uttered forged documents could just come into this country from abroad, pay a fine and then fly off again," he said.

UK NEWS

How the 'mop-up' Star strategy went awry

The Express Group's latest title has fallen short of expectations, writes **Lisa Wood**

THE DAILY STAR today celebrates its second birthday in the knowledge that unless its owner, Express Newspapers, achieve big financial savings throughout the group next week its days are numbered as a full national newspaper.

If Express Newspapers employees cannot be persuaded to accept a six-month wage freeze the infant newspaper will be the first victim. Publication will be restricted to Manchester, where the Daily Star originated—print union leaders see this as the first step towards its demise. The *Star is heading for an estimated loss of £6m this year.*

It was launched just one year after Trafalgar House took over the ailing Beaverbrook Group—which owned the Sunday Express, Daily Express and Standard—in a £13.69m deal.

The then Mr. Victor Matthews, chairman of the newly named Express Newspapers Group, believed that the basic problem among his newspapers was overmanning, coupled with high wages among the print unions. Attempts in former years to reduce these costs had met strong resistance from the chapels (union branches).

Mr. Matthews first made efforts to reduce manning levels but then came to a conclusion which surprised many observers. "The problem with Fleet Street," he said, "is not so much that it is overmanned but that it is under-worked."

The Daily Star was conceived as part of a strategy to mop up spare capacity on the company's printing presses in Manchester where the threat of redundancies had been hanging over Daily Express employees for some time. The plan then was to print simultaneous editions in London and Inverness, by facsimile transmission.

Express Newspapers boasted that the new paper would enlarge the total market and achieve sales of 1.25m copies daily in the North of England and the Midlands. The long-term aim was to reach a 2m daily national circulation when printing was extended to London.

But if part of the equation of the esetimated profitability of the Star was that printing costs would be less in Manchester than in London, this expectation proved wrong. Agreements won by the National Graphical Association provided substantial pay rises to the Manchester printers for producing the *Daily* Star. This led to an increase of costs for the Daily Express, printed on the same machines.

The knock-on effect was not confined to Manchester. In August 1979 machine managers at the Daily Express refused to print the Star in London despite an offer of extra payments. Express Newspapers refused to pay an extra £50 a head per week for printing the paper on Express machines. The company also faced with a refusal by distribution workers to handle the Star in the South of England, warned that the paper would close. Printing of the Star did start in London in January 1980. Express Newspapers has never said what, if any, extra payments were given to NGA members to get the paper started.

But it had said in August, at the time of the demands for extra payments, that "these demands, together with 'knock-on' effects would increase the cost of printing in London by £1m."

While the cost of labour has increased, Express Newspapers has not achieved the circulation it had hoped for. Sales of the brash tabloid sank to about 575,000 copies a day before settling at just over 1m.

And if Lord Matthews wanted to extend the market greatly, he failed. Much of the Star's readership was weaned from the Sun and the Daily Mirror. Advertisers have therefore merely spread their spending more thinly over the tabloid papers.

Hugh Routledge

Mr. Jocelyn Stevens (left) and Lord Matthews.

Ministers underline progress on pay

BY RICHARD EVANS, LOBBY EDITOR

MINISTERS launched a concerted campaign yesterday to underline the progress already made in combating inflation and to "talk down" wage settlements this winter, particularly in the public sector.

Mr. Patrick Jenkin, Secretary for Social Services, and Mr. Angus Maude, Paymaster General, were among Ministers who stressed the need for public sector pay to be kept to single figures.

Mr. Jenkin, speaking in Leeds, described the public sector as having been "the soft under-belly" of the economy last year because of the avalanche of high pay claims inherited from the Labour administration.

"But that was last year. That year is past. The Government is absolutely determined that this time round, public sector pay shall be settled well down into single figures." Mr. Jenkin said. He accepted that there would be protests as there had already been in the Civil Service following the suspension of the pay research unit system.

But in the private sector, unions were settling for very low pay rises or even no increases at all, to save jobs.

He said it would be intolerable if the public sector, "for which those who earn their incomes and earn profits in the private sector have to pay, went on taking double-figure pay rises when the economy is actually producing less . . . We simply will not allow that to happen and my impression is that the great majority of those we employ will see the sense of that."

It had to be recognised that people were unlikely to be able to improve their standards of living over the next 12 months. "That is the reality of the problems we face.

"If we do not succeed in getting our people to understand why we have to ask them to settle in single figures . . . the consequence can only be higher unemployment, more bankruptcies and yet more misery."

Mr. Maude, speaking in Chorley, Lancashire, forecast a considerable fall in the rate of inflation by next spring. The progress already made would be supplemented if people were sensible about pay, he said.

"If people make unreasonable claims for pay increases not justified by increased productivity two things will follow. The period of transition to low inflation and steady growth will be longer, and it will be more painful—more companies going out of business and more unemployment."

Kagan was in conspiracy, defence lawyer concedes

LORD KAGAN conspired to steal from his companies, defence counsel for Kagan Textiles admitted in the "Operation B" trial at Leeds Crown Court yesterday.

Mr. George Carman, QC, conceded that there had been a conspiracy, and that the transactions made had been illegal.

The prosecution claims that the reason behind the plot was a £500,000 tax fraud. But Mr. Carman said: "My case is that it was not a conspiracy to defraud the Crown.

"The object of the conspiracy was the theft by Lord Kagan from the companies. The other parties involved were assisting him in that theft."

Lord Kagan, aged 65, is not on trial.

The defendants are his wife, Lady Kagan, 54, of Fixby Road, Huddersfield; Raymond Kennedy, 53, of Wedgewood Drive, Leeds; Ibolya Ginsburg, of Hullen Edge, Elland, West Yorks, and Kagan Textiles, of Elland.

They all deny conspiring to defraud the Crown over the proceeds of denim cloth exports by failing to keep proper tax and accounting records.

Earlier, Mr. Christopher Holland, QC, prosecuting, told the jury of the alleged plot known as "operation B." B stood for Blackpool, the code word for Switzerland, where £546,000 was said to have been diverted into a bank account.

Mr. Holland said that £104,000 worth of denim held in a Belgian warehouse was "magically devalued on paper" to less than £9,000.

The denim was sold through the group's secret Panamanian company, Denim Continental SA, which then paid back the undervalued figure to the group's own supply company.

The plan came to light after British Customs officers seized company documents, and carried out a "remarkable reconstruction of the operation."

A Kagan-controlled company, Cellofoam (Yorkshire), was used to export the cloth to Belgium for sale through Denim Continental.

"The crucial point was the status of Denim Continental." said Mr. Holland. "If that company were in truth an independent foreign company, dealing at arms length with Cellofoam (Yorkshire), then there really is no Crown case.

"But if the evidence overwhelmingly suggests that it was just another label that those surrounding the Kagan group were using, then there is a case."

Lord Kagan has not been charged with conspiracy because, the prosecution said, of "the circumstances surrounding his return to this country."

The trial was adjourned until Monday.

Record grant to museum

THE National Heritage Memorial Fund has made a grant of £500,000 to the Victoria and Albert Museum which has enabled it to purchase the Balfour Ciborium, a medieval reliquary vessel which has been on loan to the museum since 1924.

This is by far the largest contribution announced by the fund which was set up on April 1 with financial resources for the year of £12.4m.

The ciborium, which is made of enamel, dates from the late 12th century and was possibly used for Easter communion.

It is traditionally supposed to have been given by Mary Queen of Scots to her supporter Sir James Balfour, and the Balfour Family Trust has played a key *part in the negotiations*

● The sale of Japanese ivories, lacquer and Shibayama at Sothebys, Belgravia, totalled £130,133.

Agfa takes over some sectors of rival Ilford

By Elaine Williams

Agfa-Gevaert, the photographic group, has agreed to take over some of the activities of its troubled rival, Ilford.

For an undisclosed sum, Agfa-Gevaert has bought the rights to supply medical X-ray, graphic arts and micro-film products to Ilford's existing customers and will be entitled to use the relevant Ilford trade marks.

Ilford had already decided to phase out manufacture of these products as part of its £50m reorganisation plan to bring the company back into profit by 1984. The company, which is part of Ciba-Geigy, the Swiss chemicals group, lost £18m last year on a turnover of £135m.

In June it announced the closure of three factories in Essex with the loss of 2,500 jobs and the transfer of black and white film production to its last remaining UK factory in Cheshire.

The company is withdrawing from production of X-ray films, graphic arts and micro-film products because of its small market share in these sectors. Ilford says that it cannot benefit from production economies nor afford to continue the research necessary to compete with new products.

So it is concentrating on increasing the capacity and quality of its black and white film and paper production. Recently Ilford announced that it had developed a film from which all the silver used in its manufacture could be recovered.

In the long term this could reduce the industry's demand for silver. The photographic industry is the second largest consumer of industrial silver taking between 25 and 33 per cent.

Ilford is placing great hopes on the product called XP1 400 for its future survival. The company says it hopes to increase its share of the professional and amateur photography market when the film is launched in Britain early next year.

Final pay-out

A FINAL dividend of 2¼p in the pound has been announced by the liquidators of Clarksons Holidays, the Court Line subsidiary which collapsed in 1974. This, when added to the previous payments to creditors brings the total dividend to 15p in the pound.

Travel view

OLYMPIC HOLIDAYS yesterday introduced a pilot view-data system, Sparta, which will give retail travel agents direct access to Olympic's computerised reservations system.

Price freeze

BLUE SKY, the British Caledonian travel group subsidiary, is to guarantee its 1981 holiday prices until March next year, two months longer, it claims, than its major competitors. From March 1, the company says prices will not rise by more than 10 per cent.

Flight extras

SWISSAIR is to drop all its charges fro providing in-flight entertainment on flights to and from north and south America, the Middle East, Far East and Africa from today.

THF buys a view of its Blackpool property

BY MAURICE SAMUELSON

A CLIMB to the top of Blackpool Tower might reward Sir Charles Forte with the feeling that he is monarch of all he surveys.

In Blackpool, where the Forte group already controls the resort's three piers, it has bought not only the Tower, but also the Winter Gardens and the Golden Mile amusements centre, which form the two other main properties of the old Blackpool Tower Company, acquired by EMI in 1967 for nearly £5m.

The 520-foot tower has changed hands in a £16m deal in which Thorn EMI sold to Trusthouse Forte the bulk of the former EMI leisure assets, including 125 squash courts, five ten-pin bowling clubs, the Chichester yacht marina, 10 ballrooms, including the Empire, Leicester Square, and three West End theatres.

Dr. Edward Badman, chairman of Blackpool Tower for 18 years, said yesterday he was "very pleased" at the change in ownership because of THF's experience in the entertainment and catering field.

Although he had got on well with EMI, whose interests were in music and records, he had regarded that marriage as somewhat artificial.

THF did not argue with Dr. Badman's assessment that the £16m price tag for so much of Thorn EMI's interests was "a snip." It refused, however, to make a detailed valuation of its various new properties.

THF regards them primarily as a major boost for its leisure division, which would help to put it on a par with its strong catering and hotel interests, while providing new opportunities for the catering side of the business.

It believed that Blackpool could benefit most from THF's worldwide experience in the organisation of conferences.

Although 360,000 people paid the 50p fare to travel to the top of the Tower last year, most of the money is earned by the three-storey leisure centre below its four massive feet.

They include the ballroom, made famous by Reginald Dixon, the organist, a circus, an aquarium, a tropical garden, a menagerie, cabaret and lounges.

The main conference centre is at the 115-year-old Winter Gardens, a quarter of a mile away, with its 3,000-seat Opera House, Empress Ballroom, exhibition halls and the former Pavilion Theatre, which is now used as a banqueting suite.

The other big money-spinner is the Golden Mile amusement centre, with its busy slot machines.

Guy de Jonquieres writes: For Thorn, the sale is the latest in a series of divestitures announced since it acquired EMI late last year. The aim has been to shed EMI operations that are considered marginal to the group's main businesses, so that it can concentrate on areas where it believes that it possesses a broad base for future expansion.

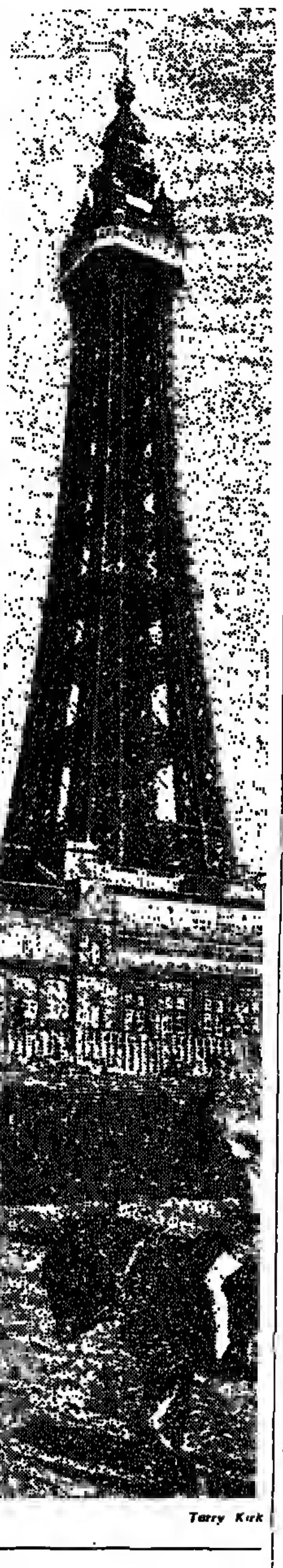
The most urgent imperative following the merger was to staunch the flow of red ink from EMI's troubled medical electronics activities. This has been achieved through the sale of the bulk of the ill-fated scanner business to General Electric of the U.S. Another American company, Omni Medical, has picked up some of the remaining pieces.

H. G. Fisher, also of the U.S., has agreed to buy the Scottish-based ultrasound operation of EMI's Nuclear Enterprises, which makes scanning equipment using acoustical techniques. Together, these deals stand to net Thorn-EMI a shade over £16m.

Last summer, agreement was reached to sell a chain of hotels and restaurants to Scottish and Newcastle Breweries for £23m. With the THF agreement, the only former EMI business which does not now fall squarely within the mainstream of the group's activities is its bingo halls.

Thorn-EMI's future strategy is intended to have a strong technological strain, and will be assisted by the research laboratories acquired as part of the EMI deal. It is aimed at three principal targets—home entertainment, engineering and lighting and domestic appliances.

The company is pinning many of its hopes on the growth of the home video market. It already markets videocassette recorders made by Victor Company of Japan (JVC) and is involved with JVC in plans to sell videodisc players and discs in the U.S. and Europe. It believes that videodiscs will prove a major outlet for EMI's films and recorded music.



Terry Kirk

Prison officers plan more severe action

BY PAULINE CLARK, LABOUR STAFF

FIVE OF Britain's major prisons are expected to be hit by intensified industrial action next week under a "short, sharp shock" plan drawn up by the Prison Officers' Association.

Mr. Colin Steel, the association's chairman, indicated yesterday that action would be stepped up for a limited period in order to demonstrate to the Prison Department that the officers had further ammunition in the dispute over meal breaks.

The plan has been formulated by executive leaders of the union in the face of what they claim is "complacency" in the department. It comes in spite of a move by the Home Office to bring the two sides together for more talks next Tuesday.

But there was no sign yesterday that the Home Office was prepared to meet the union's demand for arbitration in the dispute. The union is claiming for meal break payments to be granted to all prison officers instead of those in only half the country's prisons as at present.

The officers are preventing new admissions to prisons and the Government has taken on extra powers to combat the effects of overcrowding in police cells.

Similar powers have been taken in Northern Ireland following the decision by the province's prison officers this week to take *sympathy* action in the meals dispute.

Mr. William Whitelaw, Home Secretary, will tomorrow visit the partially built Frankland prison near Durham which opened its doors on Thursday to take in its first 17 prisoners.

A further 80 prisoners are due to arrive soon, including sentenced prisoners from Liverpool who have been held in police cells. Prisoners at Frankland are being guarded by about 450 soldiers.

ACAS plans fresh attempt to end Cunard deadlock

BY PAULINE CLARK, LABOUR STAFF

THE Advisory, Conciliation and Arbitration Service was yesterday considering a fresh initiative aimed at ending the Cunard dispute over flags of convenience.

But Cunard management and the National Union of Seamen remained in deadlock. The union rejected a plea by ship owners to call off its national one-day strike next Monday.

The General Council of British Shipping warned the union that innocent parties would suffer in the strike. Shipowners who were not involved and who had no power to resolve the dispute would be hit at a time when they were already suffering from the effects of the recession in world trade. The strike is likely to paralyse British-owned cross-Channel ferry services and will also delay departures by British cargo vessels scheduled to sail on Monday.

A total of about 200 ships are expected to be hit by the stoppage while members of the 40,000-strong union hold mass meetings to protest about the use of foreign flags on British-owned ships.

Mr. Jim Slater, general secretary of the NUS, said: "We advised the shipowners that the strike on Monday is not only against Cunard but against the whole of the General Council of British Shipping inasmuch as they were not prepared to co-operate with the unions in phasing out flags of convenience."

The union has rejected a compromise proposal offered by Cunard this week under which only one of its Caribbean cruise liners would fly the flag of the Bahamas instead of two as planned.

Lord Matthews, chairman of Cunard, yesterday sent a telegram to NUS members aboard the QUE2 challenging them to a firm answer on whether they plan to black the ship's departure from Southampton on November 8 after its return from New York.

Cunard said it had been informed that officers on the ship supported the company's policy and that "a majority of seamen" aboard took the same view but did not want to go against the instructions of the union.

Lord Matthews has threatened to sell the QE2T and the two cruise ships in the face of blacking action by the union.

Executive vice-president of Esso Europe appointed

BY SUE CAMERON

MR. CHARLES SITTER, whose appointment as executive vice-president of Esso Europe was announced yesterday, is unusual in that he is an East Coast intellectual rather than a Texan plumber.

Most of the men who make it to the top in U.S. oil companies come from places like Texas or Oklahoma. They also tend to be highly qualified "plumbers"—the industry term for the engineers who actually drill the vital oil wells.

But Mr. Sitter comes from Maryland and studied foreign affairs at the George Washington University and the Fletcher School of Law and Diplomacy. His first job with the Exxon group, in 1957, was as a financial analyst.

He went on to a series of Exxon jobs in the U.S. and the Far East before becoming chairman and managing director of Esso Australian in 1970.

He became a senior vice-president of Exxon U.S. in 1976 and was then made vice-president of corporate planning.

He takes up his new appointment in February next year and he is also expected to be made a director of Esso Europe. The job is a very senior one.

Esso Europe runs all Exxon's European and African interests from Finland to the Cape of Good Hope. It is to Esso Europe, with its comparatively small staff of 500 or so, that companies like the UK's Esso Petroleum present their budgets each year. And it is Esso Europe that reports direct to Exxon in New York.

Another 58 factories for Wales

THE WELSH Development Agency yesterday announced contracts worth more than £7m to build a further 58 advance factories in areas hit by this year's steel industry cuts.

In North Wales another 17 factory units are to be built on the new Deeside Industrial Park, Shotton, and at Engineer Park, Sandycroft. They are due to be completed by early next summer.

In South Wales 18 advance factories are to be constructed at Cwmfeliofash, Gwent, a further 18 at Ponthenri and Burry Port, Dyfed, and five at Llantrisant.

Local radio expanding

THE NUMBER of independent local radio stations will grow by more than a third next year, bringing the total to 34 by the end of 1981.

On Friday, Devonair Radio, the 26th independent station, will begin operating *in* Exeter to serve more than 400,000 listeners.

Independent Local Radio now has more local stations than the BBC, which has 21. On November 11, a BBC station will open in Lincoln followed by four more in 1982.

Building workers warned over high pay settlements

BY PHILIP BASSETT, LABOUR STAFF

BUILDING WORKERS were given a clear warning yesterday that an excessive pay settlement next year would lead directly to higher unemployment.

Mr. Alan Ure, senior vice-president of the National Federation of Building Trades Employers, said that the plain fact was that the construction industry could afford no "significant increase in labour costs next year."

Speaking to the half-yearly meeting of the Federation's Midland meeting, Mr. Ure said that while it was premature to talk in terms of any particular percentage figure, next year's negotiations would inevitably be conducted against a background of severe recession in the construction and other industries.

He paid particular notice to this week's agreement by unions to an 8.2 per cent increase in national minimum rates in the engineering industry.

He stressed the crucial link between wage inflation and unemployment in the industry, which he said was 50 per cent up on the level a year ago.

The Transport and General Workers' Union, one of the construction industry's major unions, in a document issued yesterday on the role of the construction industry, called for the Government to institute a *programme* of public works.

The union said that "demand management" was the way to deal with unemployment, inflation and the *slump in industrial* output. The TGWU said that central and local government together with public corporations now provided only 45 per cent of the industry's work, compared to 60 per cent before 1973.

Investment manager expected to take top post at SDA

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE chief executive of the Scottish Development Agency is likely to be Mr. George Matheson, who is now assistant general manager of the private investment institution Industrial and Commercial Finance Corporation.

Although Mr. Matheson, a 40-year-old Scot, has not yet agreed to accept the £25,000 a year post, it is understood that he will do so within the next few weeks once final details of his conditions of employment have been settled.

He was not available for comment yesterday.

The agency has been looking for a new full-time head since February, when Mr. Lewis *Robertson* announced that he would not seek reappointment when his five-year term expired in January 1981.

Mr. Matheson's experience in industry and running ICFC's Aberdeen office before taking his present job in London should stand him in good stead when he joins the agency, whose own industrial portfolio has been under close scrutiny by the Government.

Ministers have been concerned at the failure of a number of companies in which the agency had a stake, including its largest project, the motor manufacturer Stonefield Vehicles which is now in the hands of the receiver. Total losses last year were £1.7m.

The Government is anxious to extend the co-operation between the agency and the private sector, but has so far had little success.

A proposal to set up a new public-private investment institution had to be scrapped after a lukewarm reception from Scottish banks, and a second plan to hive off the agency's industrial investments into a holding company has run into problems. To the disappointment of Ministers, it now looks as though there will be no private money involved.

The new chief executive will also have to consider the future of the agency's representation abroad in the light of a statement expected from the Government by the end of the year.

Conservative MPs are pressing for the closure of the agency's offices in the U.S. and Brussels and the absorption of the Scottish overseas promotional efforts into the Invest in Britain Bureau

● The Government has appointed a caretaker chairman of Harland and Wolff, the Belfast shipbuilders, following the retirement of Sir Brian Morton. The Northern Ireland Department of Commerce said that Mr. Alec Cooke, managing director of a Belfast engineering company, had agreed to accept the position

Merseyside hospitals hit

HEALTH CHIEFS and union leaders differed yesterday about the effects of a one day strike call to more than 8,000 cleaners, porters and kitchen staff at 27 Merseyside hospitals.

Management said thousands of workers ignored the strike call over 93 kitchen staff involved in a pay row. But the unions said some hospitals had been badly hit.

Mr. John Watson, Liverpool Area Healthy Authority deputy *administrator*, said there was no response to the walkout call at 15 of the hospitals.

A couple of hospitals had large walkouts but mainly the response was patchy and patients did not suffer, he said.

But Mr. Peter Ballard, a National Union of Public Employees shop steward, who is leading an occupation of the kitchens at Liverpool's Walton Hospital by the 93 staff, disagreed.

He said the crucial hospitals—750-bed Walton, 800-bed Royal Liverpool Hospital, 1,000-bed Fazakerley Hospital, and the 1,500-bed Rainhill Mental Hospital near St. Helens—had been badly hit.

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THE WEEK IN THE MARKETS

Before the curtain goes up

NEW YORK

DAVID LASCELLES

WITH MR. CARTER and Mr. Reagan neck-and-neck in the last lap of the Presidential race, political pundits have been desperately combing through the almanacs to see if past elections provide any clue to the outcome. Baseball statistics, the candidates' heights, even how they spell their names—nothing is too weird or trivial provided it yields some sort of pattern.

Down on Wall Street, analysts have been dusting off their charts to see if the market's recent behaviour holds any omens. One law they have come up with says that if the Dow Jones Industrial Average on the Monday before the election is higher than it was on January 1, the incumbent wins.

If not, the challenger wins. This law has been right in 16 of the last 20 elections.

On that basis, Mr. Carter looks a clear winner. The Dow stood at 839 on the first day of trading this year. This week it was well over 900. Admittedly, it was falling like a stone. But it would have to shed a whopping 60 points on Monday to give Mr. Reagan a whisker of a chance.

But for analysts of a more serious bent, study of the market's behaviour during the eight post-war elections could yield some more solid clues, particularly since four were as close during the final run-up as the one we are now witnessing.

The victories are also equally divided between Republicans and Democrats, which balances the evidence.

Analysts are looking for two things: a link between the way the market moves during the run-up and the actual election result, and clues to what stocks will do when the market reopens on Wednesday (it will be closed on Tuesday, election day).

The Democrats have won four victories since 1948: two were preceded by a steep drop in share prices, one by a shallow one, and one by a strong rally. The Republican wins have an even more mixed record. Two followed a sharply fluctuating market, one a strong gain, and one a sharp decline, none of which is terribly helpful.

Narrowing the scope a bit, on the two occasions (Eisenhower, 1956 and Nixon, 1972) when the incumbent was up for re-election, like now, the market was fluctuating quite sharply, and the incumbent won.

If this holds, the odds favour Mr. Carter because the Dow has been oscillating for a couple of months. But the analogy is not complete because the Nixon and Eisenhower wins were not close calls, and both were Republicans.

Fortunately, the market offers a more consistent pattern in the four close calls since the war (Truman-Dewey, 1948, Kennedy-Nixon, 1960, Nixon-Humphrey, 1968, Carter-Ford, 1976). In three, shares slipped badly, and each time the Democrat won, (Truman in 1948, Kennedy in 1960, and Carter in 1976). In the fourth (Nixon in 1968) shares were strong and the Republican won.

This is the most consistent pattern analysts have been able to come up with, and it seems to have some bearing on this election. Although stocks have wavered since August, the trend has been sharply downwards since early this month. So if the Theory holds, it points to a Carter victory.

What does history tell us about likely market reaction to the result? Not, as one might have thought, that a Republican win automatically sends the market up and a Democratic win the reverse.

Of the four Republican victories, Eisenhower's in 1952 and 1956 (which came as little or no surprise) produced virtually no market reaction. In 1952 the Dow Jones did not even flicker; in 1956 it put on a mere three points. But when Nixon got the Republicans back into the White House in 1968, the shares shot ahead. And when he repeated the feat in 1972, the Dow Jones went on to close above 1000 in January for the first time ever.

Of the four Democratic wins, two produced large drops, one little change and one a big sustained gain. The drops both came in close races (Truman-Dewey in 1948 and Carter-Ford in 1976). But both times, the market clawed its way back. In 1976, the initial shock of the Carter win pushed the Dow down nearly 40 points by mid-November. But on the last trading day of the year, December 31, it was back over 1,000 again.

The Johnson win over Barry Goldwater in 1964 was a foregone conclusion which left the market unmoved. But the Democrats got their most enthusiastic stock market reception in 1960 when John Kennedy squeezed in past Richard Nixon. Kennedy had been campaigning on a platform of economic revitalisation, and the market began a long rally that was to last two years.

Again this does not throw up much of a pattern. But as a general rule, the market always reacted sharply to close call results. When Truman and Carter won, shares plummeted but recovered quite quickly. Only Kennedy triggered a surge, but we have already seen why. In the only Republican close-call win (Nixon 1968) the market leapt ahead. Oddly enough, Carter is the first Democratic incumbent since the war to seek re-election, so there is no direct precedent.

The best one can say is that the market will probably react quite sharply to whoever wins, but that its losses or gains will be short-lived.

In the end, of course, the market is probably far less moved by elections than the pundits and politicians would have one think. Contests create uncertainties and nervousness, but Wall Street's over-riding preoccupations remain the economy, interest rates, foreign wars and all the other things that impinge on investors' minds. So even if a Reagan win triggers a rally, or a Carter win a slump, the market will likely as not be going its own sweet way by the end of the month, and all those old charts will be collecting dust again on the top shelf.

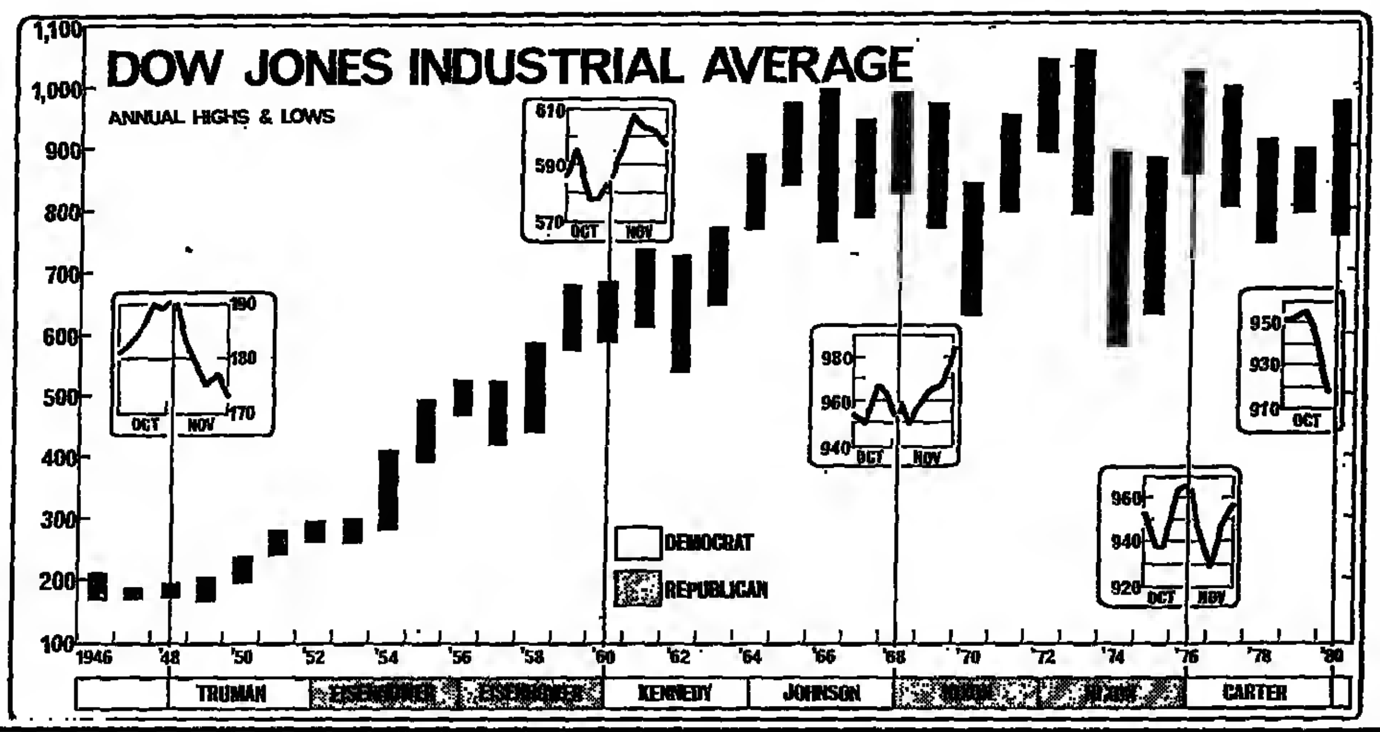
PRESIDENTIAL RACES

Date	Candidates
1948	Trueman (D) v Dewey (R)
1952	Eisenhower (R) v Stevenson (D)
1956	Eisenhower v Stevenson
1960	Kennedy (D) v Nixon (R)
1964	Johnson (D) v Goldwater (R)
1968	Nixon v Humphrey (D)
1972	Nixon v McGovern (D)
1976	Carter (D) v Ford (R)

First candidate named was elected as President

WALL STREET WEEK

Monday	931.74	−11.86
Tuesday	932.59	+ 0.85
Wedesday	929.18	− 3.41
Thursday	917.75	−11.43



Trouble in oils

CANADA

JIM RUSK

THE REWRITING of the tax rules for Canadian oil companies in Tuesday's Federal budget and Thursday's announcement that Alberta is forcing its oil producers to cut production by 15 per cent sent Canadian oil companies' share values into a tailspin that showed no signs of levelling off by the weekend.

While stock market analysts have not fully worked out the impact of the complicated new tax regime, imposed by the budget, a consensus appears to be emerging that, even without factoring in the production cutbacks mandated by Alberta, cash flow will probably level out in 1981 and profits show a decline.

Earlier forecasts for the Canadian industry called for a 15 to 20 per cent increase in cash flow next year but with a somewhat smaller growth in profits. An analyst for Wood, Gundy, Canada's largest brokerage house, estimated the budget may have reduced the value of proved conventional oil reserves by 20 to 30 per cent.

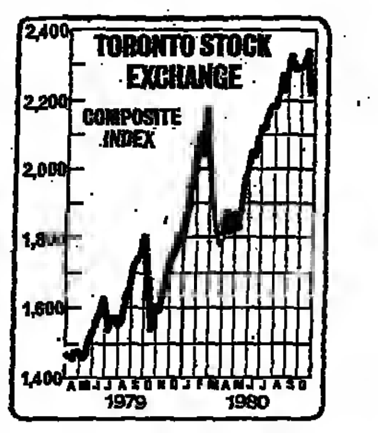
The difficulty analysts have had working out the impact of the budget and the confusion shown by investors in reacting to it, results from the fact they must assess a number of factors and their impact on each company. The short run potential has been severely weakened by the imposition of an 8 per cent tax on net production revenues from oil and gas, which will not be deductable for income tax purposes, the cancellation of a planned increase in natural gas prices of 30 cents a thousand cubic feet in two stages, in 1981, by the cancellation of a 33.3 per cent depletion allowance for development expenditures in conventional producing areas effective from January 1, and by the planned cutback in production.

The middle term is clouded because of the planned phasing out of depletion allowances for exploration in conventional production areas, their replacement by a system of incentive grants biased in favour of Canadian companies.

In the longer run, the investor's position may be threatened by Canada's plans to nationalise several foreign owned oil companies, and by the new roles for exploration on Federal land in the North and off the East and West coasts, which give Ottawa a 25 per cent interest in all leases.

The reaction of investors to these factors has been swift and hard. Before the budget the Toronto stock market had generally been soft as investors were uneasy that the federal government might impose a surtax on profits. The day after the budget 11 of the exchange's 15 industry indexes improved, but plummeting oil shares dragged the overall market down.

The next day, the market suffered its third largest percentage loss on record as U.S. investors became more widely aware of the budget and its implications and sold off oil stocks heavily. U.S. investors were heavy sellers of both shares of Canadian-based companies and U.S. companies with heavy Canadian exposure, and the resultant declines were felt in New York as well as Toronto.



There has also been jockeying in the oil group as investors try to guess which companies might be takeover candidates for Petro-Canada, the state oil company. The speculation has hit the shares of Petro Fina Canada, BP Canada, and Murphy Oil on the Toronto Exchange and Mobil on U.S. exchanges. But the losses have been experienced almost all the way across the oil group. A big loser has been Canada's top frontier explorer, Dome Petroleum, which lost C$16 a share in two days to fall to C$65.50.

In Toronto, the shares of the largest foreign-controlled companies, Shell Canada, Gulf Canada and Imperial Oil, have all been reduced in value by 15 to 20 per cent, even though none is a candidate for takeover. One analyst said a rough estimate of the budget's impact on Imperial Oil, the largest producer in Canada, would be an 18 per cent reduction in cash flow next year.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
F.T. Ind. Ord. Index	486.5	− 9.0	508.9	406.9	Leading industrials subdued
F.T. Gold Mines Index	504.9	+47.1	558.9	265.5	Steadier bullion and financial Rand
F.T.—A. Oil Index	997.65	+25.27	1,015.93	668.86	Prospect of increased oil price
Cornell Dresses	92	+20	92	10½	Speculative demand
Giltspur Inv.	115	+11	119	55	Hopes of increased bid from TDG
Hambros	705	+79	709	278	Persistent investment demand
Kean and Scott	170	+55	175	25	Hopes of developments
Polly Peck	170	+33	173	6	Speculative demand
Sainsbury (J.)	585	+35	590	280	Interim results due Nov. 5
Startrite Engineering	68	+26	68	37	Bid from 600 Group

An uneasy week

LONDON

DNLOOKER

Growing concern about the price of oil and the level of interest rates around the world has led to an uneasy week in the financial markets. The Prime Minister and the Chancellor of the Exchequer have both thrown cold water on the idea that UK interest rates might be cut sharply in the near future: Sterling has continued to strengthen on the foreign exchange markets. And the CBI has released what it described as its blackest ever survey of industrial trends.

Yet equities continued to edge ahead through most of the week, with oils leading the way. On Thursday, the FT-Actuaries Oils Index broke through 1,000 for the first time, and each day the active stocks list has been dominated by the likes of Clyde Petroleum and Premier Consolidated. Yesterday, though, even the oil bulls paused for breath.

Coats casts off

With four-fifths of profits earned abroad, textile company Coats Patons is a major sufferer from the strength of sterling.

Although the volume of sales has been broadly maintained so far this year everywhere in the world except the UK, and margins in local currency terms have tended to improve, pre-tax profits as a whole were £4.4m lower at the halfway stage at £26.7m.

But considering that the rise in sterling reduced profits by no less than £7.3m over the same period, these figures indicate that the company is slowly but steadily sorting out various problem areas.

So although profits for the year may be 15 per cent or more down, excluding property disposal gains, the company's underlying health remains sounder than that of many others in the sector.

And a prospective yield of 10½ per cent, assuming an unchanged dividend, looks attractive to those investors looking for a hedge against any future drop in sterling.

Meanwhile, the company is working hard to bring debt back down to the level in December, mainly through sale and leaseback deals in the UK. This will improve the look of the profit and loss account, not only because the property surplus will be taken above the line but also through a reduction in the interest charge. Looking further ahead, of course, it will also reduce the quality of the company's UK earnings.

Less style

Hepworth's full year results this week may not have lived up to the "little bit more style" image the retailer claims for its menswear, but they should look a lot better than the Burton figures due to be released later this month. Announced on a day when UDS disclosed major closure and reorganisation plans for its John Collier and Alexandre chains, Hepworth's 13 per cent profits decline to £5.7m for the year looked quite respectable.

Admittedly it is difficult to get a clear picture from the months and the short term bike in borrowing costs before Hepworth refinanced the £9m purchase price with sale and leasebacks. Nevertheless the underlying trend is far from firm with a profits setback of over a fifth in the second half and continued weak trading since August.

bold figurea because of the consolidation of the W and E Turner acquisition for four

Yet if Hepworth looks sluggish Burton could look downright bad.

The problem is to guess the extent of any reorganisation costs which the "new broom" managing director, Ralph Halpern, might sweep off the pre-tax figure. Some of these, such as factory closure costs, are already fairly clear even if their final treatment above or below the line is not. Investors had already been braced for pre-tax profits of around £10m against £15m but now fears are developing that the manufacturing side might have produced greater than expected losses and there could also be write-offs on the Evans mail order side.

But surprisingly menswear retailing is holding up reasonably well—better, it is suspected, than Hepworth's. Anyway, if much of Burton's second half setback is due to exceptional costs the stated pre-tax profit is probably academic.

Reed strips down

Reed International suffered a net £1.5m current cost loss in the six months to September against a comparable profit of £13.6m. On an historic cost basis, pre-tax profits dropped from £50.1m to £27m and earnings per share fell from 29.2p to 16.1p.

Given the effects of intense import competition and overcapacity in the UK paper-making industry and the decorative products market, the downturn was predictable but the effect on Reed's profits was compounded by the effects of the IPC dispute in the first quarter, which cost around £12m, and by the group's efforts to cut back its problem areas.

Overseas profits, down from £18.6m to £17.3m before interest and tax, are likely to remain at reasonably satisfactory levels but much will depend on the success of the attempt to bring the newsprint, packaging and wall-covering operations back into profits. It may be that there is little more that Reed can do. Outside estimates suggest that sterling would be required to sink to a $2 parity to restore profitability and the short term outlook is one of continuing problems. Second half reorganisation costs are expected at least to match those of the first.

Yet the dividend, which cost £14.5m last year, is not thought to be in danger. Overall pre-tax profits are expected to come down to between £60m and £70m from just under £100m which, even on a fully taxed basis, provides ample historic cost cover.

They must be glad it's over

MINING

GEORGE MILLING-STANLEY

MOST OF the leading mining and metals companies in North America must be glad that the third quarter is over, if this week's batch of results is anything to go by. The worldwide economic downturn hit many of the companies hard over the past three months, and the strike by U.S. copper workers plunged more than one of the producers of the metal into the red.

The strike began on July 1, the first day of the reporting period, and for several companies is still not over. Apart from its impact on third quarter earnings, it has worrying implications for the current period, too.

Kennecott, the largest producer in the U.S., settled on September 9, and is now back to full production, but the company is the only one of the majors in that position.

strike, Kennecott returned a net Largely as a result of the loss for the period of $51m (£21m), but the company's chief executive, Mr. Thomas D. Barrow, was cautiously optimistic for the fourth quarter when I spoke to him in London last week.

It takes between 30 and 45 days to return a plant to full production, he told me, and that means the strike will have a depressing effect on fourth quarter output of Kennecott's competitors.

Phelps Dodge, which settled on October 8 and lost a net $11.6m in the third quarter, has already indicated that fourth quarter earnings will still be affected by the strike.

Asarco and Newmont Mining have resumed negotiations with the strikers, but even an immediate settlement would leave fourth quarter production a long way below capacity, and Kennecott has already noticed an upturn in new orders since its return to work. Asarco's net profits fell by 70 per cent to $21m in the third quarter, while Newmont has yet to report.

Another U.S. company to report a loss for the third quarter was Sunshine Mining, operator of the largest silver mine in the country. Sunshine lost a net $2m, and this was also largely attributable to strike action.

The experience of Canadian metals producers suggests that even without industrial unrest, third quarter earnings would still have been comparatively poor.

Corporation Falconbridge Copper's profits were down by 30 per cent to C$7.1m (£2.5m), its parent company Falconbridge Nickel declined by 9 per cent over the first nine months to C$61.5m, and the copper and molybdenum producers Bethlehem Copper and Gibraltar Mines both returned sharply lower profits.

The mining of lower-grade ores was the problem for the three copepr producers, exacerbated for Bethlehem and Gibraltar by a steep reduction in demand for molybdenum, while nickel demand also fell sharply.

Even the mighty Amax did not escape completely unscathed. While the U.S. company was able to report that earnings for the first nine months at $381.7m had already surpassed the record $365m achieved for the whole of 1979, this year's third quarter broke a pattern of eight consecutive quarterly increases, with a fall between the second and third quarters from $141.2m to $100.3m.

The copper strike hit Amax through its interest in Anamax, which has still not reached a settlement, and lower lead prices were also a factor in the slowdown. More significantly, the free market price of the company's mainstay, molybdenum, fell below the Amax selling price of $9.20 per lb for concentrates.

Confirming that the growth pattern had been broken, Mr. Pierre Gousseland, Amax's chairman and chief executive, said that next year's first half earnings "won't be anything to write home about" compared with the excellent January-June performance this year, but he added that he expects an upturn in next year's second half.

Mr. Gousseland is convinced that the current position where molybdenum supply has caught up with, and in some cases passed, demand, will only apply in the short term, and the company plans to double its capacity over the next five years.

This expansion, taken in conjunction with other companies' plans, could double the western world's supplies of molybdenum within a few years, and an awful lot of money will be lost if there is not a similar upsurge in demand.

Amax is confident on that score. Mr. Jack Goth, in charge of the company's speciality metals division, recently presented a paper in Paris outlining potential major areas of expansion in molybdenum use.

These included synthetic fuel plants, solar energy installations, lubricants for the new generation of cars, and of course continued high demand from the aerospace industry for more fuel-efficient aircraft, both military and commercial. If these pay off, Amax's future prosperity seems assured.

A holiday agreement

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I have given a holiday agreement for three months to a tenant. He now wishes to stay a further four months. Is it permissible under existing legislation, bearing in mind the restrictions of the Rent Act?

We think that you should not make the proposed second letting, as it would be extremely difficult to show that it is a genuine letting for the purpose of a holiday. If there are special circumstances which enable you to demonstrate clearly that even the seven month period is for a genuine holiday, you might consider making the letting.

Wills of husband and wife

My wife and I propose to make our wills as follows: "I leave all my estate to my wife/husband absolutely but should she/he predecease me, then my estate, including that of my wife/husband shall be distributed as follows: 75 per cent of the net disposable assets to my son, A. Twenty-five per cent of the net disposable assets to be divided equally among my three grandchildren."

Will you please let me know if the drafting of the proposed will(s) is acceptable and in the case of instantaneous death, would the wills be just as valid?

Wills drafted in the form you suggest would be effective, although you may wish to provide for the distribution of your son's share if he should predecease you. The problem of contemporary deaths in an accident will not present difficulty so long as both your wills are identical: but it is possible to provide in the survivorship condition a period, e.g. one month, for the survival to take effect.

Valid contract to sell

Having bought some Australian gold shares in July, I sold them for settlement on September 8. I am now told that the shares are on a Sydney register and it may be December before my broker can let my bank have the sale proceeds. Is not the contract for sale therefore void or voidable? Do I, in fact, have the legal right to remain a shareholder, or can I insist on settlement, plus interest back to the settlement day on the contract note?

We think that your contract to sell is neither void nor voidable. Although not on the share register at the time of sale, you were entitled to be put on the register and the law treats as being done that which ought to be done. The question of payment is more difficult, as it might be argued, with some cogency that there is an implied condition in a sale of stock that settlement may be deferred pending receipt of the necessary documents for transfer. In other words, you yourself take the risk of delay if you sell before having got in the share certificate.

Rates on a car port

I live in a block of flats. The parking facilities include car ports, one of which I rent. These consist of seethrough plastic sheets in a wooden frame, supported by four metal poles. Our local Council are trying to make me pay rates on my port. As this is not a building, being open both sides and ends, are they entitled to do this?

We think that the valuation officer is entitled to claim that the car ports are rateable; but we cannot advise you on the value which ought to be put on them.

Prompt action about a wall

The vehicular access to the rear of our cottages has been blocked, after approximately 100 years, by a man who has built a wall surrounding his property. He says he has bought the land and he has the right to do this, but in the past this land has been used by residents of a housing estate nearby, apart from it being the only way to the rear of our cottages. What ought we to do?

If you wish to maintain your rights you must pursue any remedy you may have (for example, by injunction to remove the wall) promptly. You would be wise to consult a solicitor immediately. From the information you provide it seems that you would have a case against the person who built the wall.

No claim in damages

I recently found a piece of glass in a well-known brand of soup. I informed the Public Health authorities and as a result, it appears, of their actions, I received a letter from the manufacturers apologising and enclosing vouchers to the value of 60p, the cost of two replacement tins. I seem to have suffered no ill effects from what happened. Am I entitled to damages against the manufacturer and/or the retailer and, if so, would these be anything more than nominal? Is there any breach of the law in offering for sale a product containing dangerous foreign matter?

In law you have no claim in damages against the manufacturer in the absence of any injury to yourself or others. You might have a claim against the retailer who sold you the goods, but damages would be nominal only; and having had the vouchers for 60p supplied by the manufacturer even that claim might abate. There could be a breach of the Food and Drugs Act 1955, section 2 (or, possibly, section 1) but this does not give rise to a claim in damages by you; only to a liability to prosecution at the instance of the local authority's department of health.

Gains made by trustee

Two family trusts, created by different wills, have the same trustees and similar, though not identical, beneficial interests. Do the capital gains tax exemptions apply to each trust separately, or is there a risk that the Revenue might argue that for capital gains tax the trusts should be treated together?

There is almost certainly nothing to worry about.

If both testators died before June 7, 1978, then both trusts should be eligible for CGT relief for 1977-78, 1978-79 and 1979-80 if their respective net chargeable gains were less than £1,250 in each (or any) year, and both trusts should be eligible for exemption from CGT on the first £1,500 of net chargeable gains for 1980-81 onwards.

If only one of the testators died before June 7, 1978, then only that testator's trust will be eligible for CGT relief for 1977-78 to 1979-80, but both will be eligible for the £1,500 exemption for 1980-81 onwards.

If both testators died after June 6, 1978, then no relief will be available before the current year 1980-81, and it is possible (but unlikely) that the 1980-81 exemption for each trust will be limited to £750. The rules (in subsection 3 of section 78 of the Finance Act 1980) are not easy to explain briefly, but it is fairly safe to say that the restriction to £750 (instead of £1,500) will only apply if the funds of either trust are derived partly from both testators.

The need for reforms

INSURANCE

ERIC SHORT

WHEN A person takes out an insurance contract, he or she runs a real risk of not having any claim paid on that contract, not because the insurance company cannot pay, but because it will not pay. This is the contention of the report on insurance law* issued this week by the Law Commission.

If an insurance company runs into financial trouble so that it cannot meet its liabilities, then the law protects the rights of policyholders, as described in this column last Saturday. But if the consumer has failed to disclose some fact, however insignificant, or failed fully to conform to the conditions of the policy, then the law is on the side of the insurance company which can reject the claim. And the Law Commission does not like this aspect one little bit and proposes to change matters.

The law regarding disclosure of information on an insurance proposal form was summed up in a judgment in 1928 which stated that the underwriter knows nothing and the individual seeking insurance knows everything and it is therefore the duty of the individual to make full disclosure to the underwriters without being asked about all the material circumstances.

Failure to disclose all relevant facts can lead to subsequent claims being modified or even repudiated. The Law Commission considers that the duty of disclosure is far too stringent and operates particularly harshly.

First, even a reasonably intelligent person may have great difficulty in deciding which facts in his life and concerning the item being insured —car, house, his life—are relevant under the questions that are specifically asked on the proposal form. But the insurance could also be jeopardised because the consumer did not appreciate that he is obliged to provide information on questions that are not asked.

These points are particularly important when the insurance contract is renewed—general insurance contracts being invariably for durations of one year or less. The insurer is duty bound to tell of any changes in circumstances since the insurance was previously renewed.

People almost invariably overlook the point that at renewal, they are effectively taking out a new insurance contract.

These points were vividly highlighted in a case in 1975 when a small claim under a policy for loss of jewellery was contested, because the woman on renewing her insurance did not disclose that her husband had had a recent conviction.

In its report the Commission recommends that while the consumer should still be subject to a duty of disclosure, this should be amended so that the required standard is no higher than that which a reasonable person in the position of the insured would expect to have to meet. Although in the event of non-disclosures, the insurer could dispute the claim, it must give clear warnings on the proposal form on the need for disclosure.

On warranties, the Commission feels that these should only be used if they are material to the claim being made. Thus if a motor car is stolen, then the warranty that the vehicle is kept in roadworthy condition, should

The report points out that the current insurance rules have been strongly criticised by judges and others for many years and claims that there is a clear case for reform on the lines suggested. It sees no reason why the insurance industry should not find its recommendations acceptable and points out that they have been carefully devised so as to interfere as little as possible with current underwriting practice. Nevertheless the insurance industry is strongly opposed to these changes.

The industry claims that the Commission is considering the position under the strict letter of the law, not as things happen in practice. The industry has been gradually liberalising its procedures towards underwriting and claim payments. It is rare that a claim is completely repudiated without an ex-gratia payment being offered.

The industry points to its Statements on Insurance Practice—one for non-life business and the other for life business. These set out how proposal forms should be designed including warnings on the consequences of failing to disclose all material facts, and guidance on claims. On the last point, the non-life Statement states clearly that except where fraud, deception or negligence is involved an insurer will not unreasonably repudiate liability.

The Commission dismisses describing them as being a limited measure of self regulation, and not an adequate substitute for the law. But the industry counters by stating that the proposed changes will make underwriting more complex, proposal forms more involved, thus sending up costs. Insurance companies argue that the present system is flexible, it is containing costs and that there is no strong criticism from the public about the present system.

Certainly the Government's attitude, in recent speeches by Ministers, is to give the Statements of Practice a period in which to work before deciding.

The need for law reform is obvious from reading the Commission's report. Equally obvious is that the present system really works in the vast majority of cases. The two sides need to get together to sort out changes.

* *The Law Commission Report on Insurance Law (Law Com. No. 104): Non-Disclosure and Breach of Warranty. S.O. price £6.20.*

Convolutions of CTT

TAXATION

DAVID WAINMAN

THE MAN who intends to leave to his widow some part of his estate, and give his children another part, should consider whether his will achieves the objectives he seeks.

There is a highly dangerous trap concealed in the provisions of Schedule 6 Part III of the 1975 Finance Act.

A gift or bequest by a husband to his wife or widow is exempt from capital transfer tax. His children's receipts are not exempt—but they may be free of tax.

It is essential that this difference is understood. These forms of words have dramatically different implications, and the result of confusing them can too easily be that the widow ends up with very much less than she needs, or than her deceased husband wanted her to have.

The first principle is that any gift or bequest on which capital transfer tax is payable can be made in one of two ways. [illegible] which the recipient is to receive—so that the donor pays the relevant tax out of the remainder of his assets (or his executors pay it out of the residue of his estate).

That first type of gift or bequest is the one which is often described as being "free of tax." The amount described as being given is obviously different from that in point if the donor were to adopt the alternative approach of making a "gross" gift, and requiring the recipient to pay the tax out of the cash or assets he thus received.

Each is different again from the exempt gift—the husband's gift or legacy to his wife, or to various charities, political parties, national heritage bodies or other public purposes which he might wish to benefit. Within these exemptions, tax is not chargeable.

Where trouble can arise is where both exempt and chargeable bequests are made in the same will, and the chargeable ones are in "free of tax" form. Whether the precise wording used in a will does or does not result in a particular legacy being interpreted as being free of tax is a question of legal drafting.

For present purposes it is enough to note as an example that a monetary (pecuniary) legacy will be interpreted as indicating the deceased's wish that the beneficiary should have that clear sum. "£100,000 to my nephew Johnny" implies that tax will be borne by the residue of the estate, and that Johnny will have a nice, round five figure sum.

Let us look at a specific case of a widow entrapped by Schedule 6 Part III. The deceased husband had made chargeable gifts during his lifetime totalling £160,000 gross. This means that if his gross estate at date of death were any figure up to £350,000, and were wholly disposed of in chargeable transfers, the rate of capital transfer tax would be 60 per cent.

Let us assume that he knew when he made his will that his estate was approximately £150,000, and that he wanted to leave two thirds of that to his widow, and the remaining third to his son.

If his will were drawn providing that the son should receive £50,000, and his widow the residue, his wishes would be almost wholly frustrated. The son's pecuniary legacy is chargeable, and it is also one which is defined in the legislation as "not bearing its own tax."

This means that the tax on it falls on the residue of the estate—reducing the amount available to the widow. But the reduction she suffers is rather more than £30,000—which might be thought to be the 60 per cent liability on £50,000.

The Revenue gently points out that applying a 60 per cent tax rate, a free of tax legacy of £50,000 will generate a tax charge of £75,000. The gross figure has to be regarded as £125,000—and the son's net receipt is 40 per cent of that figure.

The widow is therefore left not with an exempt legacy of £100,000, but with a residue reduced by the burden of what she might see as her son's tax to a mere £25,000.

The Revenue will say that the deceased husband should have read paragraph 10 in Schedule 6 Part III, which makes it abundantly clear that "the amount corresponding to the value of the gift" to the son is to be grossed up to £125,000. Paragraph 20 then spells out that "such part only of the value transferred shall be attributed to gifts of residue . . . as is not attributed under paragraph 19 above to specific gifts."

The drafting may or may not be regarded as elegant: that is a matter of taste. The meaning is unfortunately only too clear. £75,000 is reallocated out of residue and into the son's legacy.

Perhaps one might say that to regard capital transfer tax as equitable, commendable and morally beneficial is also a matter of taste. Alternatively one could describe it as immoral that an Act of Parliament should rearrange the wishes of the deceased—allowing his widow only half the amount which the son takes, when the will put those proportions the other way round.

Where an obvious injustice has arisen under a will — for instance in a case where the deceased took bad advice or none—the beneficiaries can put things right. Widow and son can together execute a deed of family arrangement, the effect of this being to rewrite the will into a form which they agree more nearly reflects the deceased's true wishes.

If that deed enlarges the widow's share, and reduces the son's, that altered allocation will result in a lower tax bill on the estate. And there is no question whatever of the reallocation being itself regarded as a taxable gift by the son to his mother.

Drawbacks of a tax avoidance scheme

PROPERTY

TIM DICKSON

PEOPLE PAYING high taxes are being promised huge rates of return if they buy into a new type of direct property investment.

The purchase of small-industrial units is quickly becoming the latest fashion in tax avoidance, and, remarkable as it may at first appear, has the full blessing of the Government.

Investors, however, ought to be careful, for there is an uncomfortable parallel here with another "get-rich-quick" idea, namely the container leasing business. The appeal of containers to people in Britain was that, like other leased equipment, they attracted 100 per cent first-year capital allowances. Investors were, therefore, able to defer—sometimes forever—paying large chunks of income tax.

Unfortunately, fingers were burnt by unscrupulous operators, and the resulting scandal was one of the reasons the last Budget stopped individuals becoming lessors. However, the Government at the same time opened one new route for individuals to take advantage of capital allowances on items they do not themselves use.

The industrial buildings concession has been introduced to help holster the Tory commitment to small businesses. Institutional Investors, who dominate the property market, have shewn a distinct lack of enthusiasm over the years for small developments.

The Government thus decided that some sort of incentive to encourage the sector was needed. Hence, the 100 per cent capital allowances which investors (corporate and private) can now enjoy if they finance certain units.

Interest in industrial buildings already appears to be acute, certainly judging by the attendance at a recent conference in London organised by investment bankers, W.R.B. Colegrave. A number of leading London estate agents are also looking at possible development schemes solely to take advantage of the tax incentives.

Since the idea is in its infancy there are not, at yet, many schemes which have been tied up. Commonly, however, investors will be brought together (either through a syndicate or a joint management arrangement) just before tenants are ready to move in.

Starting yields are currently being quoted at around 8-9 per cent, though much higher figures are being mentioned in some quarters. Potential participants in these schemes should not be mesmerised by high initial returns. Just as high yielding equities imply the threat of a dividend cut or unexciting growth, so big property yields can reflect a greater degree of risk.

A leading London estate agent who is currently looking at 30 possible sites up and down the country reports that small developers are already jumping on the bandwagon. "They may be able to sell their estates now on a high yield but the market could look rather sick if investors try to sell their units later on. I think we could be flooded with this sort of scheme."

Investors should look very carefully at the details, he says. If possible, they should try to participate where a local authority has the head lease, that is where it looks after the management of the estate, arranges sub lettings and perhaps even guarantees the rent of all tenants.

Bill Colegrave of W. R. B. Colegrave, adds, "One of the most important parts of the enterprise is the management of the estate. It has got to look attractive to new tenants if existing ones drop out."

His advice to investors is only to get involved when an estate has been built (preferably in a good area) and to make sure that there is an initial rental guarantee from the developer. Local authority schemes, he points out, are few and far between but in any case tend to be centred in enterprise zones. "We have been warned off these areas because of the likely quality of the tenants."

If all goes well regular rent reviews should produce a steady increase in income and boost the capital value of an investor's holding. The tax incentives, are undoubtedly a juicy bait. A £100,000 stake, for example, will effectively cost someone paying 60 per cent tax only £40,000. A 9 per cent starting yield therefore represents an equivalent gross return of 22 per cent to such an individual. Once he decides to sell, the original tax relief (i.e., £60,000) has to be repaid but any gain is taxable at the Capital Gains Tax rate of 30 per cent. A carrot for those prepared to tie up their money over the long term is that there is no clawback of tax relief after 25 years.

The theory with many of these schemes always sounds fine—but investors should bear in mind the possible pitfalls.

Disciples of small industrial building investment point to the fixed supply of land and the planning restrictions of local authorities.

Being a two and a half year wonder, however (the incentives as stated run out in 1983) the market could easily be flooded with these developments and as a result tenants could prove difficult to find. Moreover, this is just the sort of scheme which cowboys are likely to cash in on.

The idea is bound to be a money spinner for some investors, though those interested should certainly take expert advice before taking the plunge.

It is, perhaps, a pity that the present Government is prepared to risk creating a disorderly market with this somewhat unsubtle weapon in order to further its vitally important small business policies.

More aid for the self-employed

PENSIONS

ERIC SHORT

THE SELF-EMPLOYED can have their cake and eat it under a new pension scheme facility devised by insurance brokers Noble Lowndes and Vanbrugh Life Assurance—the unit-linked arm of the Prudential. For under this scheme the self-employed can for the first time effectively unlock the capital they are putting away for their pension.

When in 1956 the self-employed were first allowed to save towards their pension on the same tax efficient basis as employees in a company scheme, contributions had to be made through a life company approved pension contract. Only in this way could the self-employed get full tax relief, investment in a tax exempt fund and benefits treated generously for tax purposes.

These life company contracts, however, had to contain a non-assignable, non-commutable clause, which meant that the benefits were locked away until the self-employed started drawing his pension or until he died. He could not surrender the policy, neither could he use it as security for a loan.

Many people regarded this as an overwhelming disadvantage which cancelled out the tax efficiency. They did not like a scheme which locked away capital and could not be touched even in an emergency. They prefered to have their savings in other forms, despite the tax drawbacks, simply because they could then get the money if needed.

It has taken the insurance industry nearly 25 years to find a way to overcome this problem. But it is not the simple solution of persuading the Government to relax the non-assignable, noncommutable condition. This still remains.

Under the Noble Lowndes-Vanbrugh, the self-employed takes out the standard Vanbrugh Retirement Annuity contract under which investment can be made into one or more of the company's exempt funds—equity, property, fixed interest, guaranteed and managed. The contract has the usual switching facilities between funds on a bid-to-bid basis.

When the investor requires a loan from Vanbrugh, he switches sufficient units into a special individual loan account. The assets backing this account are the loans made to one self-employed person.

The self-employed has therefore not borrowed on security of his pension contract even though the loan taken is now part of the assets backing his particular contract. The loan has to be secured on other real assets held by the individual, such as his house or a portfolio of stocks and shares, or on assets held by the partnership, such as a factory building or office block.

Vanbrugh will not accept a second charge on any asset thus pledged. So mortgages on property must be paid off in order to obtain a loan, if necessary from the loan itself.

The minimum loan is £5,000 and the maximum is the value of the units held in the contract, excluding the value of any previous loans. This facility thus gives the self-employed a valuable tax efficient means of building up capital for his business. He gets tax relief on the pension contributions at his top-rate, but can borrow back the full gross premium. For a 60 per cent taxpayer, a £5,000 pension contribution costs him £2,000. But he can borrow the £5,000 to use in the business. Otherwise it would have to come out of after-tax income costing the full £5,000.

Interest is paid yearly in arrears at rates determined by Vanbrugh; but they are likely to follow the one year money rate—around 14½ per cent at present—a rate currently below that on overdrafts. The rate is subject to change at each yearly anniversary of the loan and if the loan is taken for business purposes or house improvements, then the usual tax relief is available.

Since the loan is part of the assets under the self-employed pension scheme, the gross interest is credited to that contract less a charge of 1½ per cent made by Vanbrugh. The self-employed is therefore paying loan interest gross indirectly to himself though he may only have to pay interest net of tax. It has to be used to buy units in one of the exempt funds, at least until another loan is taken.

The self-employed, moreover, can defer interest payments. These can be allowed to roll-up gross with the outstanding loan. If he is getting tax relief it would pay the self-employed to make the net interest payments by taking another loan.

The loan has to be repaid when the self-employed starts to draw his pension. If he retires gradually (cashing in a succession of multiple policies and building up his pension by stages) then the loan can be repaid in similar stages as each policy is cashed in. It is envisaged that the cash commutation at vesting will be used to repay the loan, but Vanbrugh cannot force investors to do this or even deduct automatically the loan out of the proceeds. The policy belongs to the investor. If they want to foreclose, then they must use the assets pledged. The loan roll-up facility avoids problems—if the self-employed cannot meet interest payments.

This scheme offers the self-employed a tax efficient means of building up capital for use in his business. It enables the self-employed to get the use of his pension money without endangering the security of his ultimate pension. It has the approval of the Superannuation Funds Office of the Inland Revenue, even though it appears to be a sophisticated means of getting round the non-commutable element.

Now Vanbrugh and Noble Lowndes have shown the way, no doubt other life companies and brokers will follow suit, adding refinements of their own. It has overcome the main objection of the self-employed investing in a pension plan. The scheme makes its formal appearance in the middle of the month since Vanbrugh is still ironing out a few wrinkles, including what to do about the self-employed who already hold pension contracts with the company.

Vanbrugh only deals through insurance brokers and approved pension consultants, so those interested and their advisers should contact Noble Lowndes at this stage. The literature is not yet available from Vanbrugh.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS—2

With less than two months to go to Christmas, there is plenty of time to think about presents. But while cash is always popular at the last minute when all else fails, money in its various forms can be a genuine option. **Tim Dickson** and **Eric Short** look at some of the possibilities.

Christmas covenants

IF YOU want a Christmas present from the taxman, the best way of getting one may be to give away money via a covenant. Covenants are formal agreements and while they build up liabilities for future years they represent one of the best ways of transferring resources. Covenants can be used for a number of more or less sophisticated purposes but three groups tend to be the most common beneficiaries: children in higher education; grandchildren and charities.

Children in higher education. Parents are allowed to make covenants in respect of their sons and daughters provided they are aged 18 or over. To be on the safe side (the legislation is not entirely clear) a period of seven years is usually taken during which time tax can be deducted by the donor at the basic rate up to the single person's allowance of £1,375. Thus if a parent agrees to covenant £1,000, only £700 is actually paid over with the remaining £300 collectable from the Inland Revenue. The point about this sort of arrangement is that students tend to have little other income but they do have tax allowances like everyone else. The covenant effectively transfers the benefit of these allowances to the parent's income, with the result, however, that the student ends up with the extra cash.

It is not often appreciated, incidentally, that the recipient need not be in higher education. Anyone can take part—the sunworshipper at St. Tropez, included—but unless they have an income under £1,375 there will be no tax benefits. The income of children under 18 is aggregated with that of their parents, thus removing the advantages of that age group.

Grandparents and grandchildren: This works in the same way as the educational covenant just outlined. Grandparents are allowed to enter into covenants with grandchildren of any age since their incomes are not aggregated for tax purposes. Under recent Inland Revenue practice the effect of a covenant is to convert earned income into investment income by the amount of the covenant and some people may therefore find that they have an unexpected bill for the investment income surcharge. The size of the covenant, however, would have to be in excess of £5,500 but anyone in doubt should consult their financial adviser.

Charities. Following developments announced in the March Budget, charitable covenants are now *more attractive* than before. From this year (1980/81) the minimum period for a charitable covenant to be recognised for tax purposes has been reduced effectively from seven years to four years. Furthermore, from next year (1981/82) donations will attract relief at the benefactor's highest marginal rate of income tax, instead of simply the basic rate as at present. At the moment charities, like other donees, can reclaim tax at 30 per cent. This will still apply in future but in addition the covenantor will be able to reclaim the difference between *his or her top* rate *and the* basic rate.

Savings plans

UNIT TRUSTS are not conspicuously suitable as Christmas gifts. And yet the kindly parent or grandparent keen to give their son or grandson a stake in the ups and downs of the stock market might well be tempted by what is on offer.

Unit trusts generally do not accept very small amounts — they are expensive to administer even with higher management charges — but there are a *number* of exceptions.

M and G, for instance, has a saving plan where the *minimum* investment is only £10. This can be opened in a child's name and although the group points out that there is not much point in leaving the money and forgetting about it, there is no obligation to make regular contributions. As John Fairbairn, deputy chairman of M and G points out: "We try to encourage people to start with at least about £50. They can add to it at any time, which can be useful if they get the odd windfall."

Gartmore's Moneybuilder plan has a minimum initial subscription of £25 and operates through passbooks similar to those used by building societies.

Hill Samuel, meanwhile, is unusual in that the minimum investment in four of its unit trusts is only £25.

Covenant schemes (see above) are offered by *Target* and Brown Shipley. The advantage here is that these groups will look after all the administration and invest the proceeds in their funds. (In Brown Shipley's case the "Younger Generation Plan" is tied to the group's Jersey-based Sterling Bond Fund, which is invested in gilts.)

The Target scheme is also available through the Target Building Society. A lump sum can be deposited and fed in to one of the unit trusts over say a seven year period.

Fill a small hole

THE South Africans, it seems, had Christmas very much in mind when they launched their new half, quarter and one tenth ounce Krugerrands in September. Benevolent uncles and aunts, for instance, are more likely to dip into their pockets to the tune of £145, £75 and in particular £35 than to stump up the £270 needed to buy a one ounce coin.

Krugerrands are available from most coin dealers, banks and bullion *houses* but *it is well* worth shopping around, since prices vary widely. Premiums over the gold value were officially quoted at 9 per cent for the tiddler, 7 per cent for quarter ounce and 5 per cent for the half ounce coins—these, however, are based on prices which the South African Chamber of Mines is charging its UK distributors. By the time they reach the public, considerably more can be added on.

The problem with gold coins —*quite apart from the fact* that they only fill a small hole in *the stocking—is* that *prices* can move sharply. Those, for example, who *thought* the advent of a Middle East war would give an *immediate* return to investors snapping up the new Krugerrands have been sadly disappointed in the last few weeks. For this reason donors might write a warning on the gift card to the effect that recipients should be prepared to hold their coins on a long-term view.

Sovereigns, of course, are a less publicised but perfectly valid alternative, particularly if you feel like being more patriotic. At slightly under a quarter of an ounce they cost around £70 at the moment. Remember, however, that VAT is payable on overseas coins which are not legal tender. Anyone expecting major gains *in the future* should also bear in mind that Krugerrand profits attract *capital gains* tax. Sovereigns are exempt.

If, meanwhile, you think presents should have an added purpose, you might consider numismatic or collectors coins. Prices here vary widely—silver, however, should be within reach of some of the more generous—and bear little or no relation to face value or the intrinsic value of the metal. They should, therefore, be given either to a budding numismatist or chosen with the aim of nurturing an interest in a new hobby. Investment potential *depends* largely on quality so consult an expert if you are in doubt.

Finally coin sets, such as the four Royal Mint "proof" coins discussed here last week—if you can get them—are possibilities for anyone wanting to make a really big impression.

The tax Scrooge

EVERYONE likes playing Father Christmas, showering gifts on children, grandchildren, nephews and neices. But hovering in the background, dampening the conviviality like Scrooge, is the taxman. Christmas presents, or for that matter *presents* at any other *time*, are a transfer of assets made and a Capital Transfer Tax liability may therefore be incurred. How *much* do you *have* to *share* your joy with the Inland Revenue?

You can try to show that these gifts are made out of income. But to do this, you must show a pattern of regular gifts being made out of normal income, demonstrating that you have enough surplus from your income, after normal expenses, to meet the gifts. Making gifts once a year at Christmas would be accepted as regular, but in addition you need to show that this has not upset your normal pattern of living. For example, for those receiving a net annual income of £10,000 and having a *life style* needing £20,000 a year to support, the income route will not be accepted.

Usually, you must accept that these *are* capital payments, subject to CTT. So what are you allowed to pass on before a liability is incurred? First you can hand over £250 in each financial year to a specific person—almost one Krugerrand —in any one tax year. Then on top of this you can make gifts totalling £2,000 overall in the year. Thus if you are making gifts to four children, you can give each £750 before incurring a CTT liability.

Husband and wife are *treated* separately for CTT purposes, a rare example of equal sex *treatment* by the Revenue. This effectively doubles the amount that can be handed over before CTT applies. But you cannot give your wife the money to be handed on immediately to children. Under the anti-avoidance provisions, this would be regarded as an associated operation. It is best to divide assets well in advance.

CTT exemptions can be carried forward one year. But you have to use the current year's exemptions before you can use the previous year.

Finally, if there are wedding bells in the family, though Christmas is not a popular time for *matrimony* then parents and grandparents of the couple get substantial additional reliefs on gifts made. The Revenue does have some heart after all.

Nippers' houses

WITH BRANCHES in just about every British high street, building societies will be doing their bit to catch the Christmas shopper. Money destined for teddy bears and other toys will pour out of accounts and societies would therefore be silly not to at least to try and tempt some of it back.

Although there are many packages designed specially for *children*, once the wrapping is stripped off, the financial excitement *disappears*. *There is*, for instance, no extra interest for junior savers and invariably what they are offered is a straightforward ordinary share account (currently paying 10.5 per cent). It is also worth pointing out *that building societies*, which pay interest net of basic rate tax, do not offer nontaxpaying nippers the best return. The National Savings *investment* account, which currently offers 15 per cent gross, is a better bet.

This, say the societies, is not the point. Customers are attracted to them because they are convenient, friendly, afford the opportunity of getting a mortgage and encourage "the savings habit.

Anyone anxious to instil this last virtue into a youngster might be attracted to the Cheltenham and Gloucester's Paddington Bear Account. This can be opened in someone else's name for a *minimum of* £1 (2 x 50p), entitles the holder to interest at the ordinary share rate, but more excitingly offers a free Paddington badge, a special book with a transfer of the bear, two letters from him each year (one coinciding with birthday) and the right to buy for another £1 a special moneybox. Paddington's pull can be illustrated by the 16,000 new accounts the C and G has opened since the scheme's launch in July.

A number of societies such as the Abbey National, have gift cheques (minimum £1, maximum £20,000) which can be *used to open an account*. Spendthrifts are allowed to cash them in *immediately* but as the man from the Abbey says modestly, "This rather defeats the purpose." About 70 per cent of parents apparently keep direction over accounts subsequently opened, but the society will not *object if the account is solely* in the child's name. The Abbey National also has a Junior Savers Club with close on 200,000 members—benefits include stickers, badges, and special promotional material.

The Leicester, finally, has introduced a new "Moneybook Gift Pack" just in time for the *Christmas rush*. This is a variation on vouchers, the pack including a *passbook made* up to the amount of the gift, a leaflet explaining how it can be used, and a greeting card (appropriate for all seasons) offering the society's best wishes.

Parents and grandparents unimpressed by the razamatazz can always open an ordinary *share account* usually for a minimum of £1.

Taking a leaf

HARDLY A week goes by these days without a new programme being unveiled by a foreign or British bank. The competition for retail banking business began hotting up in earnest last summer when Citibank and other North American invaders started producing modified current accounts which bear interest.

The big four UK clearing banks have also been engaged in an exercise which has included new types of investment accounts, help for small *business* and mortgage facilities.

But this week Lloyds Bank, the smallest of the major clearers, introduced what it termed a "new type of revolving account for savers and spenders." The new plan, entitled "*Cashflow*," is not really new.

The *Cashflow* account is not only similar to the "Personal Credit Plan" introduced by the Midland Bank in 1972; in some ways it is less attractive.

The Lloyds account enables current account customers to borrow up to *30 times* an agreed amount which is paid monthly into the account.

If Cashflow account customers wish to maintain and build up a credit balance the bank will pay interest, currently at the *rate* of 10 per cent per annum.

When Cashflow customers wish to borrow, however, they are charged 5 per cent over base rate, currently making a rate of 21 per cent, equivalent to a true annual percentage of 22.7 per cent.

Customers will have access to the Cashflow account by cheque book. Each withdrawal by cheque will cost 30p and cash withdrawals through Lloyd's Cashpoint machines will cost 25p.

Mr. Fred Crawley, deputy chief general manager of Lloyds Bank, said: "There are a lot of similarities with Midland's *account* and with Citibank's Tandem Account. One has seen all of these before." But Mr. Crawley stressed that the Lloyds account would offer chequebooks while the Midland one does not. He also emphasised that "once this is set up the annual visit to the bank to have an overdraft facility renewed will become a thing of the past."

"Paying interest on current accounts is something we are all moving toward, but the speed with which this occurs is governed by the extent to which we can retrieve the costs *of servicing the accounts*," he added.

According to the Midland Bank, the Personal Credit Plan does not offer chequebook facilities. Instead, Midland provides a book of "transfer forms." Under the Midland account, customers sign a standing order which *transfers* a monthly minimum of £10 into the personal credit account. This compares with the £20 minimum at Lloyds.

The customer may then borrow up to 30 times the amount agreed. But Midland pays 11½ per cent annual interest against Lloyd's 10 per cent.

ALAN FRIEDMAN

MOTORING

A roomy diesel hatchback

BY STUART MARSHALL

THERE ARE FEW larger hatchbacks than the Audi Avant. It is not quite so long as the Rover SD-1 but it is the same *width*. *Inside*, it *feels roomier*. There is no bulky console between driver and front passenger and no prop-shaft tunnel because it has front-wheel drive. The luggage space, rear seat up, is half as big again as the Rover's.

Last summer and early autumn I drove a five-cylinder Avant for nearly 3,500 miles. The worst fuel consumption I achieved was 34 mpg, during which two-thirds of a tankful went on uneconomical 85-90 mph cruising on a Continental motorway. And the best, on an unhurried though heavily laden trip through France, was 41.8 mpg. Even when used mainly in town for a succession of short local journeys, it returned between 36 and 37 mpg. For the whole 3,500 miles, the Audi averaged 37.73 mpg.

Before anyone concludes that I have got my sums wrong, I had better point out that the Avant was a diesel. On mainland Europe, sales of large cars have been hit hard by the recession and high fuel prices. Only the diesels are doing well. Here, possibly because many of the high-mileage motorists who would benefit most from diesel economy don't actually pay for their fuel from their own pockets, their advantages are *not appreciated*. *Diesel cars* in Britain remain a curiosity. This year, they will take an estimated under 1 per cent of the market.

Compared with the sluggish, noisy diesel cars of ten years ago, today's are a civilised bunch—and none more so than the Audi.

I admit that, after firing it up from cold, one should drive off straight away for fear of disturbing one's neighbours with a *mini-anvil chorus*. But after two minutes running, during which the engine pulls *smoothly* and hard, the clatter has gone and the main difference between the diesel and a petrol engine is its baritone chuckle of a tickover.

If one insists on driving the Avant diesel as though it were a petrol car, it will run up to 50 mph in second and 70 mph in third. This is, however, not *the path to real economy*. The Audi's five cylinder engine has all the *free-revving ability* of the four-cylinder VW Golf diesel from which it sprang but it has outstanding flexibility, too. In third, it pulls away from a walking pace without protest. In top, it will trickle through traffic at 20 mph.

The transmission does not jerk; in really slow moving traffic you let it creep forward at tick-over in first, foot off the throttle altogether. On the open road, given that you anticipate traffic conditions sensibly, it can almost be used as a top gear *only* car. This is the secret of real economy with a diesel. *You go with its characteristics instead of fighting against them —and very satisfying* motoring it provides.

Fuel economy apart, the Avant was enjoyable for its slick, light gearshift, effortless though positive power-assisted steering and level ride. At cruising speeds it was so quiet that tyre rumble on coarsely textured roads drowned out the engine altogether. Several people who rode in the back expressed disbelief when told it was a diesel.

It never *failed* to start first flick after a few seconds pause *for the glow* plugs to *warm* in the morning. After a summer storm, it *looks like* a duck to a foot of floodwater that other motorists, sensibly enough, preferred not to chance. On winding roads, though it felt a little nose-heavier than a petrol-engined Avant, it was surprisingly agile. The list price is £7,504, though an acquaintaince who was so impressed with my test car that he went straight out and bought one, paid a good deal less than that. These are good times for buying large cars.

I can only think of two real improvements to the Avant 5LD. The *five-speed* gearbox with a high overdrive top used in the Audi 200E (not yet available in Britain) would make it even more economical on motorways. And a set of ultra low profile tyres would sharpen the steering response and overcome the diesel's extra weight up front. Then it really would be an ideal choice for people who like big cars but want to go on a long way on a little fuel.

The Audi Avant diesel. *Drive this large five-seat hatchback with sympathy and it will better 40 mpg.*

More economical Escorts

AS I OBSERVED at the time, spending a morning leaping from one version of the Ford Escort to another for half-hour drives on Home Counties roads was not the best way to assess an important new car.

All I could fairly report afterwards was that the new Escort, especially at the top of the range, was mechanically refined, handled and held the road very well but had a disappointingly joggly ride under certain conditions.

Since then, I have spent two weeks and 700 miles in a mid-range 1.3L and the poshest Escort of all, the 1.6 Ghia. Both were the five-door versions. The 1.3L, which costs £4,015, gave me 34.2 mpg for a mix of short shopping trips, a couple of *runs from* Kent to London and a brisk cross-country journey, mainly on *secondary* roads. *The* £5,033 Ghia carried me quickly and most comfortably up to the Motor Show and back and spent quite a lot of time in the centres of London and Birmingham. It returned 31 mpg.

These are not exceptionally economical figures, but they are realistic. I have little doubt that the 1.3L would better 40 mpg on a leisurely journey and the 1.6 could be made to give 35 mpg.

The ride still disappointed. *Ford say* that a change of *shock* absorbers will put things right —the present ones are too *firm* —but I suspect the problem may go a little deeper.

Every time one of the rear wheels dropped into a pothole or sunken drain cover, the car's tail end gave a perceptible sideways lurch. It was more noticeable on the Ghia, with its wider 70 series tyres, than on the 1.3L. If a simple change of *dampers* eliminates both the joggly ride and the wriggle, I *shall* be *surprised*.

The 1.3L ran hesitantly for the *first* mile after cold starting both cars had clutches sharp *enough for a moment's* carelessness to stall the engine in traffic.

These niggles apart (and a sharp clutch is something one rapidly adjusts to), the Escorts were everything one could reasonably demand of compact family cars in their price class. The 1.6 Ghia, with its luxurious and tasteful interior and more than adequate performance, should enable the owner of a larger, *thirstier* car to move down one size class and feel no pain at all. *I liked the standard* glass sunroof especially. On the run home from the Motor Show I cruised down the M1 with it wide open. Even at around 70 mph, there was so little draught or wind noise I wore no jacket and could listen to the radio.

Later this month the new Escort estates come on the market at prices from £3,757 for the 1.1 to £4,717 for the 1.6GL. The sporty Escort XR3 will be *available in a fortnight* at £5,123.

ITALIAN TRAVEL AND TOURISM

Tourism is a vital artery in Italy's economy which has not been beating quite so strongly this year. But the country is still top of Europe's tourist league in numbers and, as this report shows, its basic attractions remain many and unrivalled.

Strength lies in its lasting appeal

BY RUPERT CORNWELL

WILL THEY come or won't they? Rarely can the annual migration of tourists into Italy across the Alpine passes and through the Alpine tunnels have been as closely and anxiously monitored as this year.

Tourism is vital for Italy's economic health. In 1979 foreigners spent an estimated L7,000bn ($8.28m) experiencing the country's unsurpassable attractions, manmade and natural. The net balance on tourism, of about L5,500bn more than accounted for the entire current account surplus achieved by Italy in 1979.

But that was last year. Throughout the winter and spring of 1980 foreign trade slipped ever more deeply into the red, and eyes turned to tourism not to put icing on the cake, but to regard it as the cake itself.

The signs are that things have not gone quite as well. The picture is still fragmentary, but Customs returns from the Brenner and Mont Blanc tunnels suggest fewer cars full of French and German economic saviours opting to spend their summer and their money in Italy. The reasons are various, but particularly that dismal weather that picked up only towards the end of July—and provided a glorious Indian summer in September when most resorts were half empty and about to close for the winter.

More seriously in the long-term, the tourist "terms of trade" have begun to shift against the country. Savage devaluation in neighbouring Yugoslavia, and the relative cheapness of Spain and Greece, have taken their toll. With little doubt the package tourists, whose intineraries are fixed long before even the longest range weather forecasts, have been fewer in the popular resorts along the Adriatic.

Perhaps too, the flow of bad news from Italy—which the discerning visitor has taken in his stride as being generally unrepresentative of the true rhythm of life there—at last started to make itself felt.

For example, in mid-July three German children were kidnapped from a swimming pool near their Tuscan villa. Only his muscular 6 ft 3 in frame saved a Swiss banker holidaying in Sardinia from a similar fate a few days later.

At the beginning of August, on the Saturday morning that traditionally marks the high-point of the exodus from the cities to beaches and mountains, came the bomb blast at Bologna Station, Italy's busiest rail intersection, in which 84 people died, some of them foreign holidaymakers.

For all this though, the country remains the most powerful magnet for foreign tourism in Europe, if not the world. Last year more than 16m tourists spent about 100m nights in Italy. The average length of stay of just over six days compares with just over five a decade ago. And this is only the official figure.

Submerged tourism is a part of the celebrated submerged economy, and the unregistered visitors, particularly those on short trips from neighbouring Austria and France, may add many thousands (or millions) more to the total.

In a sense too tourists are given a relatively high status; if possible they are prevented from seeing the darker sides of national life, assuming of course they were interested in finding out. If life in Italy is a show, then the show is especially well laid on for tourists, many of whom must leave the country wondering exactly where is this multi-faceted crisis depicted so often in Italian (and foreign) papers as terminal. No country is as obsessed as Italy about what other people think about it.

Nor is the overall gain to the economy measureable from the foreign currency income alone. How much more is spent by foreigners acquiring goods in Italian shops? The national jewellery trade is but one, if among the biggest, of such beneficiaries — where much of the added income never surfaces in official declarations.

But financial gains are not the only important aspect of foreigner visitors for the Italians, of whom an estimated 1.5m make their living in one fashion or another from the trade. For a people given to the most abject (if theatrical) self-denigration, that 16m people from all over the world are prepared to visit their homeland is not so much flattery as a vote of confidence. If even the tourists stay away, then the country really would be in a bad way.

But the distribution of blessings for the tourist industry has been as unfair as the distribution of the country's economic resources. The North and Centre, which already provide the bulk of the industrial and agricultural wealth of Italy, also contain its greatest tourist attractions: not just the great and small cities unrivalled anywhere, but mass beach resorts which are in no sense unique. As a result five-sixths of Italy's annual tourist flow goes there, and only one sixth to the depressed South.

Some action has been taken to correct the imbalance. It is generally agreed that there are two main future needs of the Italian tourist industry: to lengthen the season from its present compression into the high summer months, and to shift the flow of visitors more towards the South, or Mezzogiorno, which is ideal for off-season holidays: Until mid-October this year daily temperatures in the South and Sicily were running into the 80s, while winter can be sunny and very mild.

Similarly greater tourist development in the largely unspoilt South would help generate jobs to alleviate a regional unemployment rate of around 11 per cent. Moreover, jobs in tourism are cheap to create compared with industry in general.

Package tourism in the South is very limited at present yet the transport facilities are there, airports, ports and a stunningly beautiful motorway —and free, unusually for Italy, from Naples to Reggio Calabria.

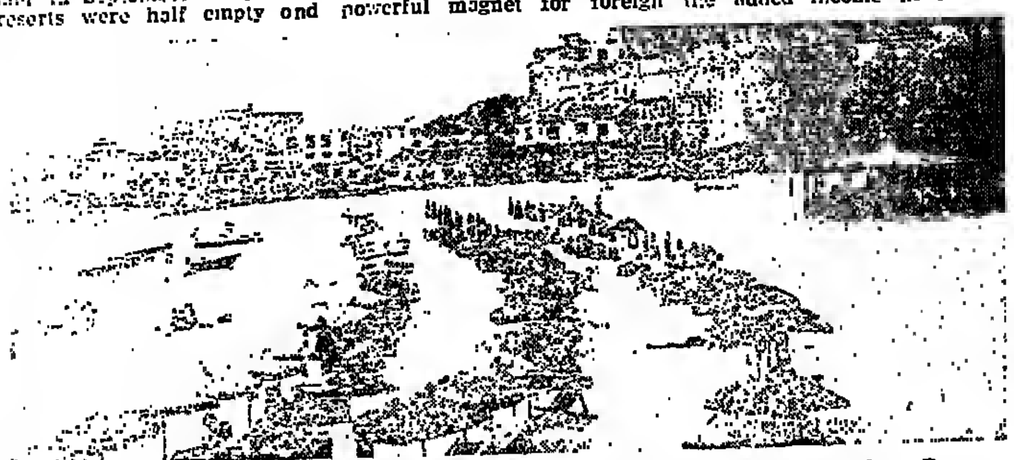
The Government earlier this year approved a draft Bill to allot L300bn to a revolving fund to make urgent loans to develop tourism, but political crisis after political crisis has impeded its progress onto the statute book.

At a more every-day level, steps are being taken to co-ordinate the flow of tourists to Italy. A Borsa di Turismo has been launched in Milan, to bring together supply and demand from tourist operators. At another level, the organisation of the industry may well benefit from its being devolved to the competence of the regional authorities.

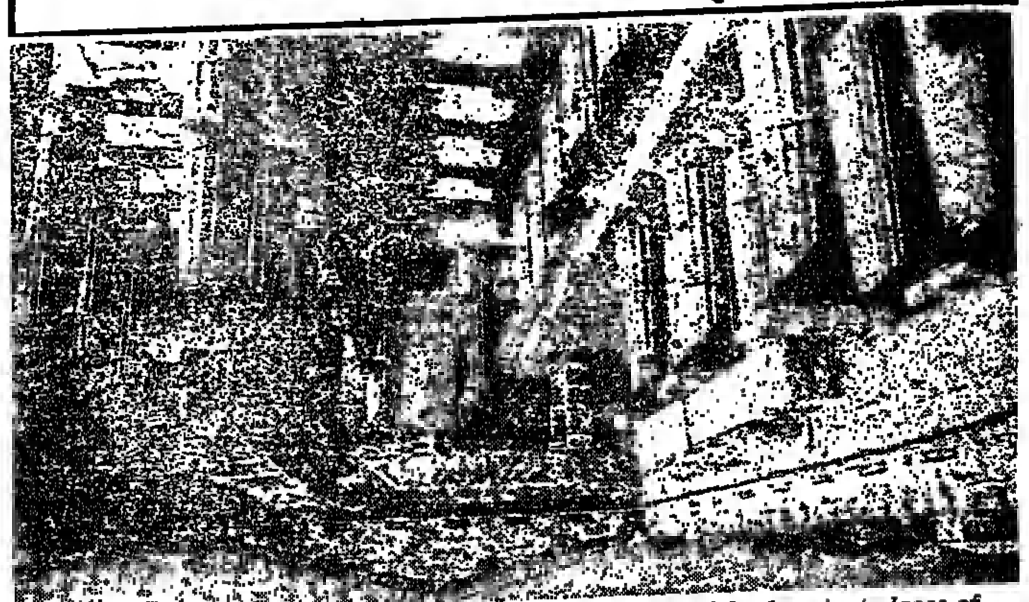
This will avoid, it is hoped, the great failure of much Italian legislation, which tends to impose identical rules for a diversity of regions, each of which merit individual treatment. Now that each region can make its own decisions, there may be a brighter future for special off-season packages and "social" tourism aimed at special categories such as pensioners and school students.

But much will still hinge on whether the existing central agencies for the furtherance of tourism can be made to function better. A tourism Ministry does exist but it is understaffed and generally counts for little within the Government. In the view of many people, moreover, Enit, the national tourism office, is ripe for reform given the enormous changes which have overtaken Italy's tourist industry since the 1939-45 World War.

However, reforms in Italy have a habit of being endlessly discussed but very rarely put into practice. For the foreseeable future tourism is likely to have to rely, as does the rest of the country, largely on individual initiative and talent. It is perhaps a formula which will not enable the country to extract the maximum from its resources. But perhaps in that lies part of the endless appeal of Italy for tourists: that the country has not ruthlessly exploited tourism to the point where it becomes counter-productive.



For the modern sunworshipper there are plenty of resorts like San Remo (pictured above) on the Italian Riviera to gratify their needs



For the tourist more interested in history there is a wealth of ancient places of worship like the Temple of Neptune at Salerno.

ITALIAN TRAVEL AND TOURISM II

Hotels in plenty and improving

BY PAUL MARTIN

THE PRACTICE of officially classifying hotels has been in existence for many years in the majority of European countries, including Italy. The current price — breakfast is normally excluded — is itemised in each room with details as to whether tourist tax and VAT — IVA in Italy—are included. There are sometimes extra charges for air-conditioning, central heating in mountain hotels and for a supplementary bed. Costs can also vary according to the season.

The Italian State Tourist Office (ENIT) publishes a voluminous annual list covering 40,000 hotels and pensions in the *Annuario Alberghi*. This can be consulted in their London office at 201 Regent Street. A summary of rates, up-dated each year, is also included in the Travellers Handbook available on request from the same address.

The classification of both hotels and pensions in a given area is carried out by the Provincial Tourist Board (*Ente Provinciale per il Turismo*) under five hotel categories which range through from de luxe (*lusso*) to fourth class. Some of these are also subdivided and there are three categories of *Pensioni*.

Many of these, particularly in the coastal resorts, have been built recently and provide private bathrooms as a matter of course. The Italian *Pensione* has little in common with an English seaside boarding house and some Italophiles return each year to the little family-owned place they first found years ago tucked away in a quiet corner in Florence or Siena or in some of the smaller art cities.

As a rough guide, a first-class *Pensione* can be compared to a second-class hotel. Those without a full restaurant service always have a breakfast room and bar and there are no licensing hours.

While Italy has its own inflation problems, and prices therefore must be approximate, the Travellers Handbook quotes average prices in each category. A double room with private facilities in a first-class hotel is around £25 a night while a single room in a second-class hotel averages £6 a night. The figure on a per-person rate for full board in a de-luxe hotel varies between £35 to over £70 per day.

Traditional standards of Italian hospitality and service are everywhere in evidence. Even baggage porters smile as they carry out their duties with a willingness often lacking in this country.

Many hotels are still individually owned with the resident proprietor and his family very much to the fore, but there has also been some grouping together of hotels for joint marketing purposes. The major hotel chains have offices in London.

Trusthouse Forte owns hotels in Milan and Rome and its Hotel Castello adjoins the Forte Village at Santa Margherita di Pula in southern Sardinia.

While it does not own or operate its own hotels, Italberghi runs a booking service for a wide range of hotels and pensions and the rates include Continental breakfast, service, all taxes and IVA. It will also make bookings for Superior Grade hotels or pensions in places not included in its brochure where these are known personally to the client.

To take just two examples—and again giving the per-person, per-night rate—a double room with private facilities at the Leon Blanco in the fascinating little Tuscan town of San Gimignano costs under £7; while the equivalent rate at the Metropole-Suisse in Como in the Italian Alps is £13.85.

One of the fastest developing chains is ATA (*Aziende Turistiche Alberghiere*). In addition to its holiday villages in both Sardinia and Sicily, ATA has hotels in the winter sports areas of Cortina d'Ampezzo and at Courmayeur. It also owns the de luxe Savoy in Florence and the Leonardo da Vinci, which has extensive conference facilities, in Milan.

ATA has also recently taken over the Majestic Hotel Dolomiti in S. Martino di Castrozza and, if you really want to get away from it all, I can personally recommend the Chiaia di Luna in the pleasant remoteness of the lovely island of Ponza in the Tyrrhenian Sea.

Italy is not really a good country for those who enjoy more than a token breakfast but the Jolly chain offers a substantial start to the day with a buffet breakfast included in the overnight price. Information can be obtained and bookings made through its London representatives, Supereps International.

The Jolly chain has been developed in stages. It has built its own hotels and, in other cases, taken over older establishments which have been modernised to today's standards. The original name has sometimes been retained as in the Jolly Hotel Excelsior conveniently close to both the cathedral and the Piazza del Campo in Siena. They are generally in the medium-price range and situated in resort areas as well as in Bologna, Turin, Milan, Florence and Rome.

Its hotel in Rome, where many of the rooms overlook the gardens of the Villa Borghese, participates in Alitalia's Intermezzo package. Intermezzo offers inclusive arrangements to Rome, using Alitalia's scheduled services and providing for stays varying between three nights and a full week in a wide range of hotels in the Imperial City.

The cream of Italian hotels have been gathered together over the years to form CIGA (*Companio Italiana Grande Alberghi*). This strictly up-market operation embraces hotels whose names have a familiar ring thoughout the world. They include both the Danieli and the Gritti Palace in Venice itself as well as the Hotel des Bains and the Excelsior on the Venice Lido.

Add to these the Excelsior and The Grand in Rome and the delightful Park Hotel, within its own extensive gardens overlooking the superb city of Siena, and one is moving into a world where excellence, luxury and unfailing courtesy from the staff are the hallmarks.

Whether you travel to Italy on business or pleasure, to the major cities or to the coastal or mountain resorts, hotel standards are constantly improving and the client seldom feels himself to be simply a room number.

ENIT, 201 Regent Street, London W1
Trusthouses Forte, 71-75 Uxbridge Road, London W5
Italberghi, 105 North Road, Kew Gardens, Surrey
ATA, 199 Piccadilly, London W1
Supereps International, High Holborn House, 52 High Holborn, London WC1
Alitalia, 251-259 Regent Street, London W1
CIGA, 67 Jermyn Street, London SW1

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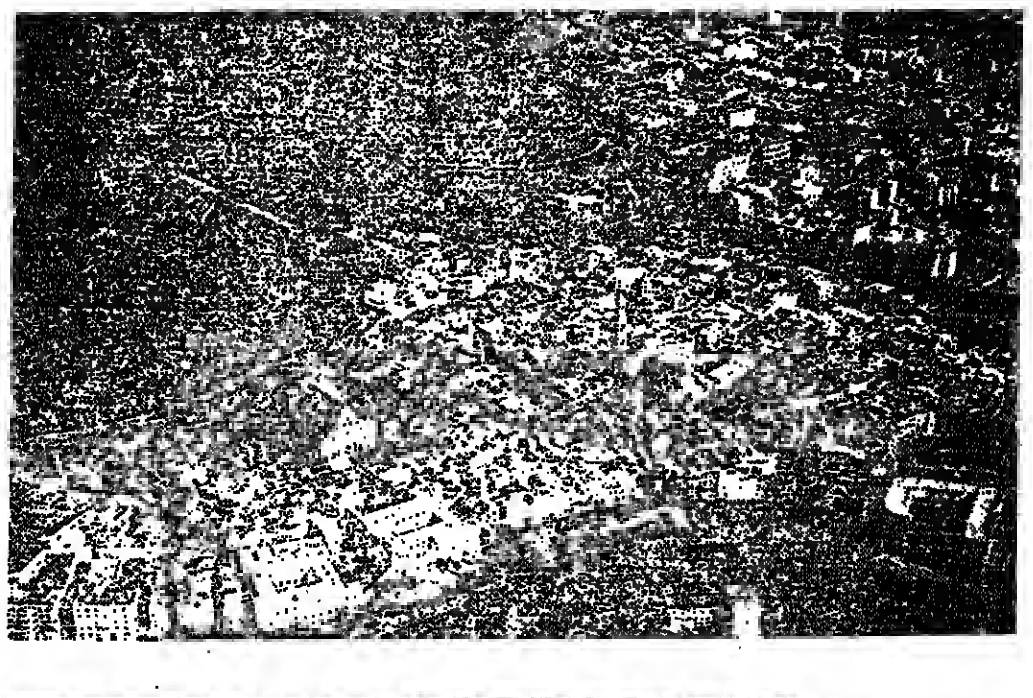
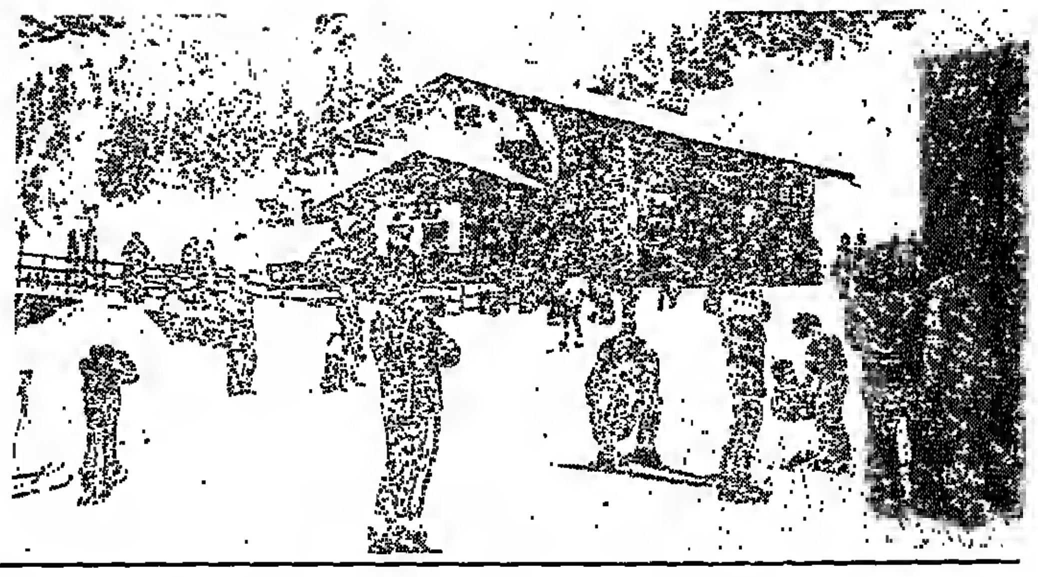




PICTURED RIGHT ▶

Top: Bari, one of Italy's principal city ports on the south-eastern coast. Centre: Distinctive "trulli" buildings which are a unique feature of the Apulia region. Bottom: Italy has a major winter sports trade, with many popular resorts.

Transport systems well classified

BY PAUL MARTIN

TRAVELLING WITHIN Italy may look a little complicated at first, but it is relatively simple. Whether you use your own car or hire one, or take advantage of the discount fares available on the Italian State Railways, or fly internally on one of the densest air networks in Europe, some preliminary homework pays dividends.

To start with rail travel, all Italian trains are classified but the terms used do not always have the same connotation as in English. The slowest, the *locale*, stops everywhere and has both first and second class carriages while the *diretto* stops at most stations.

The *espresso*, normally covering longer distances and linking main stations, is not an express train in our sense. Speed increases when you catch a *rapido*, for which you pay a supplement of about 30 per cent. Some have only first class coaches and seat reservations are sometimes compulsory.

If you want to move in first class speed and comfort between the main cities, the *Super-Rapido* Italian TEE, linked to the Trans-Europe express services, serves many of them. Supplements are again payable and seat reservation obligatory on, for example, the *Settebello* and *Ambrosiano* providing luxury travel from Milan to Bologna and on to Florence and Rome.

The individual traveller, whether on holiday or business and planning to travel a lot by train, can obtain a travel-at-will ticket (*Biglietto Turistico Libra Circulazione*) valid for periods varying between a week and a month. These tickets, available only to those resident outside Italy, can be obtained from CIT at 256 High Street, Croydon, Surrey.

It is advisable to buy these tickets in the UK although they are also available at some Italian main line stations. You should give your full name and passport number when booking.

They are valid on the entire Italian rail network, including Sicily and Sardinia. Sample prices are £51 (first class) and £33 (second class) for an eight-day period. If you plan a longer stay the equivalent rates covering 30 days are £90 and £57 respectively. Details of discount rates and family and children's reductions can be obtained from CIT.

When speed is essential, the extensive internal air network links most major centres, and Alitalia, the national flag carrier, operates these as well as external air services. Its subsidiary, ATI, also flies within Italy, as do Itavia and Alisarda connecting Sardinia to the mainland.

The greatest frequency of flights is on the trunk routes linking Milan and Turin to Rome and Naples, but even the tiny island of Pantelleria enjoys good air connections with Sicily.

Whichever airline you fly with, life certainly has been easier since the four operators combined to issue a single timetable listing all internal services and fares. Ordinary return tickets have a 12-month validity and excursion tickets, sometimes with conditions attached, are also available.

Alitalia also issues and regularly up-dates a comprehensive Business Traveller's Guide, available from the airline at 251-259, Regent Street, London W1.

Bus transport within the major cities is on the basis of a uniform fare irrespective of the distance travelled. Milan and Rome also have *Metropolitano*, the equivalent of the London Underground, but with fewer stations.

These services, as well as those operated by conventional passenger carrying and car ferries and hydrofoils, are summarised in The Traveller's Handbook, available from The Italian State Tourist Office in Regent Street, London.

Italy also has a superb motorway network, the *autostrade*, providing fast access to the main centres. Many of them reflect the skill of Italian engineers who have blasted tunnels through the sheer rock and built viaducts over chasms and gorges. If you pick up the magnificent *Autostrada del Sole* in Milan, you can now drive the length of the country and out through Italy's toe towards Sicily.

The *autostrade* are toll roads, the amount payable varying both on the distance travelled and the car's engine capacity. The rates are listed in the current Traveller's Handbook. It is advisable to check them before travelling, since while the current strength of sterling makes Italy a relatively inexpensive country, Italy has its own inflation problems.

Taking a 1500cc car, the cost of motorway travel on the A1 from Milan to Rome is about £8. Using a combination of the A1 and A14 and driving a car of more than 1500cc on the long haul from Milan to Taranto will cost about £14.

You do not need an international driving licence in Italy but, before leaving, you should obtain free of charge either from the RAC or The Italian State Tourist Office, an Italian translation of your current full UK licence.

Italy's equivalent of the RAC and AA is the Italian Automobile Club (ACI). Should you break down, the procedure is to go to the nearest phone box and dial 116 to inform the ACI just as you would contact the motoring organisations in Britain.

CIT, in addition to British Airways and Alitalia, has a range of fly-drive arrangements under which a hire car can be collected at your arrival airport. The Alitalia scheme, operated as Jetdrive, demands a minimum of two adults travelling together. The overall price covers return air travel and self-drive rental for the period listed with unlimited mileage and a comprehensive insurance scheme including collision damage waiver.

If two adults travel together to Pisa, an excellent base for touring the lovely Tuscan countryside, and collect a group A car (Fiat 127), an inclusive per person price of £210.50 covers return flights and 10 days' car rental. If four or more adults travel together and again hire the Fiat which comes into the basic price category, the car rental period is extended to 18 days.

The Traveller's Handbook really does contain a wealth of information whether you plan to take your own car, hire one on arrival, or use the normally reliable services of the trains and boats and planes which provide a wide choice of travel within Italy.

ITALIAN TRAVEL AND TOURISM III

History preserved in cities

BY PAUL MARTIN

EACH OF Italy's major cilies presents a distinctive personality, reflecting bolh an architectural barmony and the character of its citizens in a country whicb has been unified politically for only just over a 100 years.

For centuries past all roads have led to Rome. As you approach the Imperial City along the ancient Appian Way the Porta Latina leads through one of the best-preserved sections of the walls to the Baths of Caracalla, where productions of open-air opera are staged during the summer. The Arch of Constaotine, one of the city's best-known monuments, is near the site of the Circus Maximus.

The Via della Conciliazione leads up to the splendid expanse of the great square in froot of St. Peters and the Papal Palace, in the Vatican—a sovereign state within the city limits. But however often one may have watched the ceremonies taking place in St Peter's Square on TV, the juxtaposition of pizzo and cathedral is quite breatbtaking.

I still have some reservations about the massive memorial dedicated to Victor Emmanuel, which also bouses the tomb of Italy's Unknown Soldier, close to the Piazza Venezia. Among all the wealth of antiquities, it stands out like an extravagant and over-embellishad wedding cake. Incidentally, one of the best places from which to get an overall view of the city is from the Piazza Garibaldi on top of the Gianicolo, one of Rome's Seven Hills.

While Rome remains the seat of government, Italy's commercial capital is the northern metropolis nf Milan. The rates of xechsnge quoted in Brilain's daily papers are those of the Milan Stock Exchange, but it would be wrong to regard the city as purely an industrial centre and Italy's financial bub.

As in Rome, tbe Milanesi drive frenetically, with a great revving-up of engines as the lights change followed by a headlong surge of a phalanx of cars. Cars are now mercifully banned from the spacious square in front of Milan Cathedral, on which a gleaming statue of the Madonna crowns the delicate and intricate series of ornate pinnacles which rises towards the heavens.

The Piazza del Duomo has always been the traditional meeting place for the Milanesi before tbey drift off for a cup of coffee or a Campari at a cafe in one of the great galleries which lead through to La Scala. Milan remains the city where the operas of Verdi and Puccini still play to packed houses in one of tbe world's great opera houses.

The city now has an efficient if not particularly extensive metro system which links the outlying areas to the Stazione Centrale, a kind of cathedral of the railways. The slender Pirelli skyscraper, close by, is one of the most graceful examples of 20th century architecture.

The Milan Trada Fair has its counterpart to thuse held in Bologna, the capital of Emilia-Romagna. There are now direct air links between London (Gatwick) and Bologna with the introduction earlier this year of a year-round British Airways service.

Bologna haa always prided itself on its cuisine, Lasagne was invented bere as just one of the endless permutations oo a pasta theme often accompanied by the rich tomato and meat sauce we call Bolognese but which is often listed locally as Ragu.

As far as wa are concerned, Bologna remains a far less familiar city than Venice or Verona. This was once s city where many tall towers pierced the skylioe. The only two which remain and lurch rather perilously in the heart of the old city are the Garisenda and the Asinelli.

The extensive exhibition buildings, where a whole series of trade fairs is held, is on the far side of the station from where you can walk under the arcades, which provide shelter from the winter rain and shade from the summer sun, along the length of the Via dell' Iodependeoza.

This arcaded avenue runs right up to the beart of the old city grouped around the Piazza Nettuno and the Piazza Maggiore where the Bolognesi still gather in what has always been their traditional meetiog place.

Long before the age of jetting from city to city made travel easy, the Victorians, setting out from Britain on the Grand Tour, generally included Florence on the itinerary. So it is filling that later tbis month, on November 10-12, the fair city of the Medici will be playing host to the annual Convention of the Association of British Travel Agents.

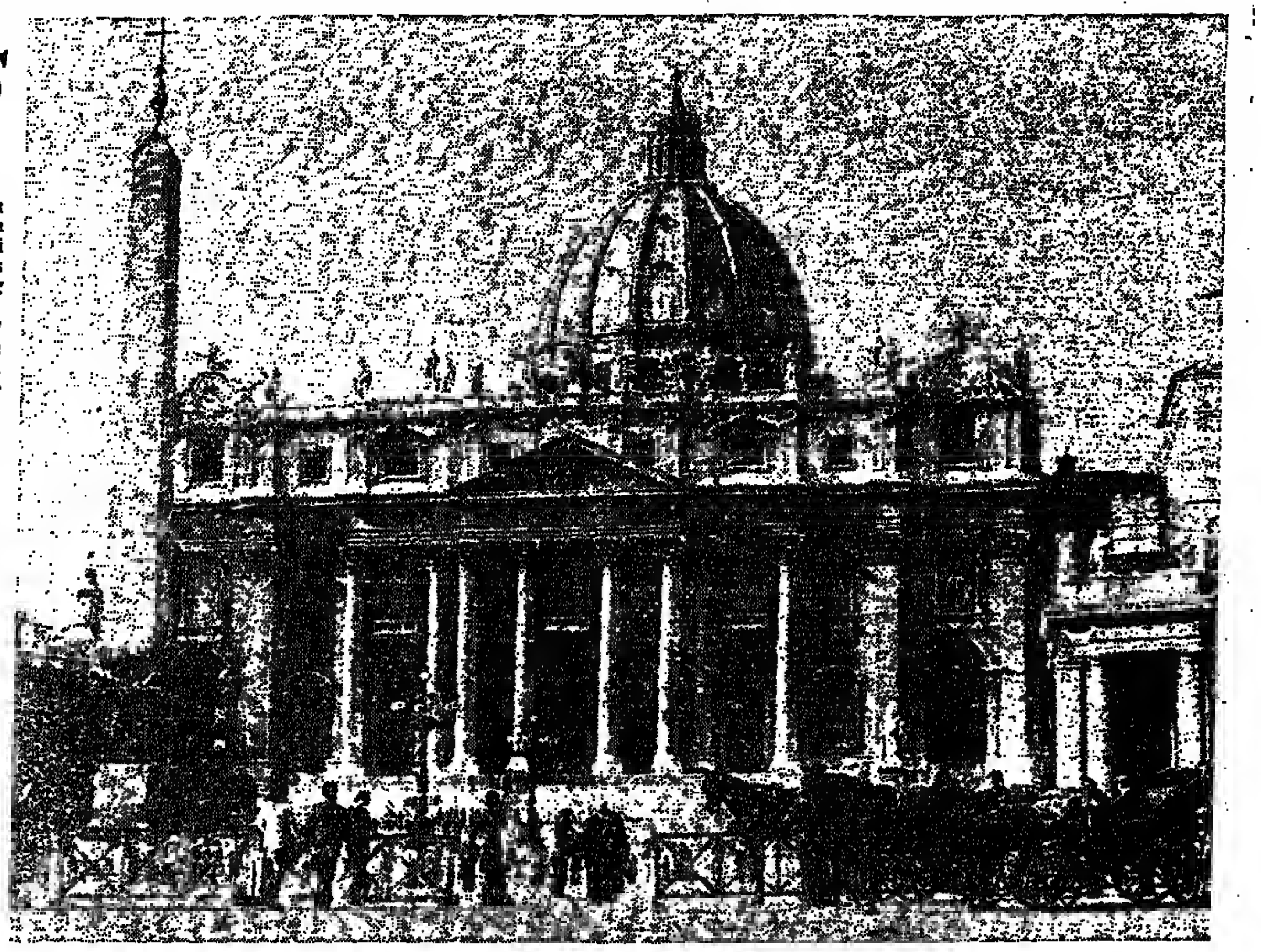
Florence's architectural legacy and its art treasures make it a city of quite bewildering richness. It is all too easy in Florence to try to crowd in so mucb sightseeing that you return to your hotel, your eyes wearier than your feet, and with the visual equivaleot of a dose of indigestion after taking in the Uffizi Gallery, the churcbes, the cbarming streets and marvellous views.

The Florentines have learnt from experience. They ration tbemselves and when tbey go to the Uffizi or to that other great collection in the Pitti Palaca across tbe Ponte Vecchio, they confine themselves to just one tiny section.

The Ponte Vecchio, the medieval bridge spanning the River Arno, remains as it always bas been—a place where the merchants display their wares. Here are the boutiques of the goldsmiths and silversmiths, appealing to the spend-now-pay-later temptations of every credit card ever devised.

Florence is fortunate in baving two natural vantage poiots; you cao catch a tram up to tha even older Etruscan city of Fiesole and, after climbing up to the little chapel of St Francesco, look down over the domes and towers. Then, if you come back to the city and cross the river, you can go up either to the Piazza Michelangelo or to the Belvedere Fortress for a close-up view of the domes of the Medici Chapels and the splendid grouping of the bell tower, the baptistry and the massive cathedral of S. Maria del Fiori.

It is a sigbt not to be missed.



PICTURES ON THIS PAGE

Top: St. Peter's Basilica in Rome. Above: the back streets of Naples—on the tourist track but not one of the main beneficiaries of tourist revenue. Below right: the Ancient Romans were enthusiastic bathers —there is a modern flavour to the "bikini"-clad girls in this floor mosaic at the villa at Casale

Holidaying with the locals

BY LAILAN YOUNG

SOME PEOPLE take a holiday in a foreign country and the only locals they meet are shopkeepers in souveoir shops, barmen, waiters and the room maid. Now, through an enterprising group of Italians who five years ago set up an organisation called Agriturist, foreigners can live closer to the land and its people.

The accommodation organised by Agriturist varies from spartan cottages to palatial Renaissance mansions and castles. Some offer beds only, others bed and breakfast or half board, or self-catering units. The only problem is sifting through the list of more than 1,000 addresses which the Italian State Tourist Office in London produces each year and then writing to the families: some reply in Italian, others in English, some seod printed brochures, and some don't write at all.

Limiting ourselves to Tuscany and Umbria because of the many ancient cities and towns we could visit—Florence, Pisa, Siena, Vinci (Leonardo's), Assissi, Perugia and scores more—we began our meet-the-people *alla famiglia* holiday by getting lost at Pozzolo while looking for our landmark, "the old Roman baths" which were the nearest building to our farmhouse.

The Cavazza family bouse at Pozzolo has basked in tha Tuscan sun for 300 years, and as we drove up an avenue of dark pines the ethereal late afteroon light explained why poets and painters have found inspiration in Tuscany for bundreds of years.

Signora Cavazza prepares copious meals just as easily for a British couple as for large numbers of young people sharing dormitories in the high attics. There is a library, ping pong in the great hall, a swimming pool, cellars full of the family's own Cbianti, and sweet *vin santo* stored under the roof.

From bere we could visit Florence and the galleries and the world's best leather shops, Pisa and its Leaning Tower, the lovely Chianti country with picturesque farmhouses and lines of sentinel pines on tup of billocks, and the amazingly picturesque San Gimignano with its timbale of ancient towers, and lots of small, photogenic villages.

After Pozzolo, the castle at Gargonza — our next stop — looked menacing in the night mist, its massive walls looming over the tiny village of modest farmhouses in the valley below.

It was built in the 13th century but its present owner, Count Roberto Guicciardini, has converted the farmworkers' houses within its walls into attractive, self-contained accommodation in which old wooden beams and bread ovens blend with bright modern furniture. Short-term visitors can rent rooms in a guesthouse from about L20,000 (£9.50) a day.

The old olive mill ia now a club and bar which doubles as a concert hall. One of the farmhouses outside the walls has become a restaurant serving Tuscan specialities such as wild hoar shot on the estate, which can be washed down with wine from the estate's own vineyards.

Within easy reach of Gargonza is magnificent Siena with attractiona that fill whole guidebooks; and Arezzo on a hilltop and rich in Renaissance frescoes. Even Orvieto, though over the border in Umbria, is a quick drive down the autostrada and there to be had are wines and beautiful views from the top of the volcanic rock on which the village perches.

The strange medieval city of Gubbio was our holiday base in Umbria, a region nf hills, rivers and valleys, the gentle land of St. Francis. But so violent was Gubbio's own bistory that doors and staircases leading to living quarters had to be built too narrow for armed adversaries to enter.

The Umbrian farmhouse we stayed in was high above Gubbio at San Martino in Colle. The Agriturist list also included a cottage with candles but no electricity, and a converted cell in a 12th century abbey. Though the farmhouse was a disappointment because the accommodation was run on hotel lines, the stay was at least memorable for having to run the gauntlet every time the family boss, an Alsatian with mighty canine teeth, was out and about.

Our last stopping place was La Dogana, a former papal customs post on the shores of Lake Trasimene, where Italy's best olive oil is made. Here we had a basically furnished, self-catering apartment in the old stabla block with views over the lake.

From here we visited Perugia and Assisi, both not to be missed by anyone within driving distance, and Todi with walls dating back to three periods—Etruscan, Roman and medieval.

Besides beautiful landscapes and timeless towns nur Agriturist holidays introduced us to ordinary Italians at home and aristocratic landlords turned amateur hotel keepers and enjoying the experience.

Most memorable of the people we met are the countess smothered in cats, the pretty daughter anxious to practise her English, the creaking family retainer dressed in black, and the family friend who sold us leather handbags for one-tenth the price of a Gucci and almost as good.

Where to take the waters

BY LAILAN YOUNG

FOR MORE THAN 24 centuries it has been the custom in Italy to sip or bathe in the thermal waters and springs that are scattered throughout the peninsula. Rich in minerals and other beneficial substances, the waters are sought by peopla with major and minor illnesses, as well as general acbes and pains.

Spas are big business in Italy today. Not only have the watering places become popular holiday resorts, but the State natinnal bealth service pays the bills for spa treatments prescribed by family doctors, so it is quite normal to see Italian workers at the same resorts as royalty, Hollywood invalids, and tourists. Fourteen universities have chairs in madical hydrology while the universities of Rome, Milan and several others offer post-graduate courses in the tharapeutic uses of tharmal waters.

An exciting aspect of Italian spa resorts is that most are surrounded by fascinating scenery with famous cities and great medieval towns nearby. They are great social centres, too, where one can sip the waters, or coffee, or even a calorie-laden cup nf bot chocolate beside a fouotain or lake and watch people from 40 nations stroll by. At some resorts old-fashioned matioee orchestras serenade the health-seekers, and at all the well-known ceotres there are gardens, promenades, and luxurious boutiques.

Spa treatments are prescribed to prevent illnesses, to treat "morbid conditions" (anything from infertility to gout and obesity), and for convalescence. Mudbaths are recommended for rheumatic sufferers at Montecatini (where Verdi, Puccini and Renaissance men of letters sought relief), the island of Ischia in the Bay of Naples, and Abano—a perfect touring centre for Venice, Verona and the great northern medieval cities. These three famous resorts are promoted by Alitalia, the State airline.

Top spas like Montecatini have alkaline sulphate waters to treat a large variety of disorders; Finggi's waters are rich in minerals for kidney trouble; Salsomaggiore's waters contain iodine, salt and bromine against ear, nose and throat complaints.

Many Britons wnuld consider spa treatments no better than "fringe" medicina, but according to Prof. Mariano Messini, President of the Italian Medical Association of Hydroclimatology, if you believe that the waters will belp they probably will. His philosophy could be equally applied when we swallow a pill prescribed by our G.P. or when we sip our Scotch and soda after the end of a tough day.

The famous spa resorts have luxury and first-class hotels, many of which have beautiful gardens and fine swimming pools. The Villa Cortine at Sirmione on picturesqua Lake Garda is one—excellent mud baths at Sirmione—and another is tha Silva which bas lovely walks amung very old, handsome chestnut trees in Fiuggi.

The good hotels feature local culinary specialities and wines. Good food and wine, combined with a desirable climate (most resorts are necessarily in healthy climes), plus the beauty of the surrounding countryside make an Italian spa holiday ooe which can be partly for health, but mostly for enjoyment if combined with touring.

Tha Italian State Tourist Department at 201 Regent Street, London W1, has produced a free booklet, *Thermal Baths in Italy*, which gives details about the best spas for treating deafness, allergies, diabetes, anaemia, disorders of the major organs, nervous diseases and so on. And the red Michelin Guide to Italy comprehensively covers hotels aod restaurants in the spa centres.

PROPERTY

Living in retirement

BY JUNE FIELD

SITTING in the autumn sun on a bench by the sundial in the gardens of Manor Court, Pewsey, in the Wiltshire countryside last week, it was easy to feel the appeal of what Sydney Heath called "asylums of peace and rest" in *Old English Houses of Alms*, 1910.

The recently finished Manor Court, which I first wrote about last summer, is modelled on 17th century almhouses founded by the Duchess of Somerset at nearby Froxfield, for the use of spinster daughters of the clergy. In today's more affluent society, the complex, financed and built by Geometer Developments for the English Courtyard Association, is promoted as "luxury cottages for retired people." The 19 units (14 cottages and five apartments), have been a sell-out at prices *from £28,500 to £38,500 for a 150-year lease*, with only, at the moment, a re-sale coming back on the market at around £40/£43,000.

Work has already begun on the second Courtyard project, Berrow Court, Upton-upon-Severn, near the river, with views to the Malvern Hills. Here the first phase of 13 two-bedroom cottages and apartments are being offered for sale in the £44,000 bracket. They include built-in oven, hob on cooker hood, waste disposal, TV points, double-glazing, etc.

In keeping with the philosophy of building in a rural environment which has easy access to a town or village with good shopping facilities, the development is only a few minutes' level walk to the thriving centre of Upton. Bristol and Birmingham are about an hour's drive away, London two and a-half hours via Oxford and the M40. (A report last month from the Yorkshire Rural Community Council drew attention to the disadvantages of the isolated retirement cottages near villages where essential services such as the village store, chemist, post office, and so on, are fast disappearing.)

The occupier, *but not necessarily the owner*, of courtyard accommodation, has to be someone of around retirement age; the aim is to fulfil what director Mr. Noel Shuttleworth describes as "the need for comfortable, spacious accommodation to combine complete independence and privacy with the security of someone to call on in an emergency." Special features include an alarm system which is a pull-cord that activates a "bleeper" to alert the resident warden (unfortunate word), electric points placed well up on the walls so that they can be reached without bending, special easy-grip handles on doors, windows and taps, wheelchair access, and as an optional extra, a stair-lift.

Actualy the ground floor of a cottage, as at Pewsey, is so designed that it can be used as a self-contained suite, so that the upstairs can be kept for a nurse, companion or visitors. Everyone has a small private patio that they can cultivate or not as they wish, and there is a communal laundry. Brochure with plans and details of the outgoings (estimated as £25 a week to cover service charges, rates and electricity), from Mr. Noel Shuttleworth, The English Courtyard Association, 8, Holland Street, London, W8 (01-937 4811).

The next project is planned for Wadhurst, East Sussex, and other sites are being sought where planning permission would be forthcoming for this type of development. Understandably, not all councils welcome applications for retirement use only.

My own personal feeling is that I would like to see developers providing this kind of accommodation in a general community, albeit with this kind of thoughtful attention to the special amenities neded for the *not-so-young*. It is very easy with one-classification living to get into a "them and us" situation, the first applying to the elderly, forgetting, God willing, that we shall all be thems one day!

Even in America, where special retirement villages have long been popular, the trend is moving towards mixed communities with sections for "adult," family and retirement living, so that although there is some segregation, there is also an overlapping of interests, without one group being totally isolated from the other. However, as far as Britain is concerned, it is an enormous step forward that now at last there are various specialised accommodation schemes of those of mature age. (As 55 is acceptable on most of them, the term "elderly" is a misnomer too). And the secret of a successful operation appears to be to keep things simple and easily manageable, as one or two more sophisticated undertakings have foundered.

Hampshire builders McCarthy and Stone are specialising in units for those in the 55-plus age group. I recently went to see Homewood House, Milford Road, Lymington, their sixth project since the pilot scheme, Waverley House, New Milton, was completed in 1976. Homewood House, on a bus route two minutes walk from some local shops, is a plesingly landscaped apartment block of 47 units, some for two people, others for single occupation. Prices are £19,700 to £24,000 including carpeting, for a 99-year lease with a ground rent of £149 a year; outgoings, to include rates, heating and hot water, warden *services etc.*, are currently estimated at about £12 a week for a single-person flat. For a brochure, and how to view the show-apartment as well as details on other projects under construction, apply to the agents, Peverel and Company, 46 Station Road, New Milton, Hants. (New Milton 611129).

James Butcher Court, 16 Eastern Villas Road, just off the sea-front at Southsea, near Portsmouth, East Hampshire, is a different operation again. A pleasant block of 18 one and two-bedroomed apartments plus two penthouses, has been built by Friends of the James Butcher Housing Association, a registered charity established to meet *the needs of the elderly*.

There will be a resident warden, common room, and prices are from £27,000 for a 35-year lease. But if the owner vacates the property permanently, the association *must* be given the first opportunity to buy it back, and the amount paid will be returned in full. Maintenance charges are approximately £8 a week for the first year, with ground rent between £25 to £50.

The show-flat was just being completed when I called a month or so ago; brochure and appointment to view through *Mr.* David Windebank, residential *sales* manager, King and King, 5 Clarendon Road, Southsea, (Portsmouth 2162), who *will meet you at the station if you let them know in advance. For a leaflet on the association,* and the location of other developments, which currently includes flats from £35,000 to £45,000 at Laurance Court, Dean Street, Marlow, contact Mrs. Eileen Millam, secretary, Friends of the James Butcher Housing Association, James Butcher House, Horncastle Drive, Bath Road, Reading, *RG3 2HP* (Reading 415475).

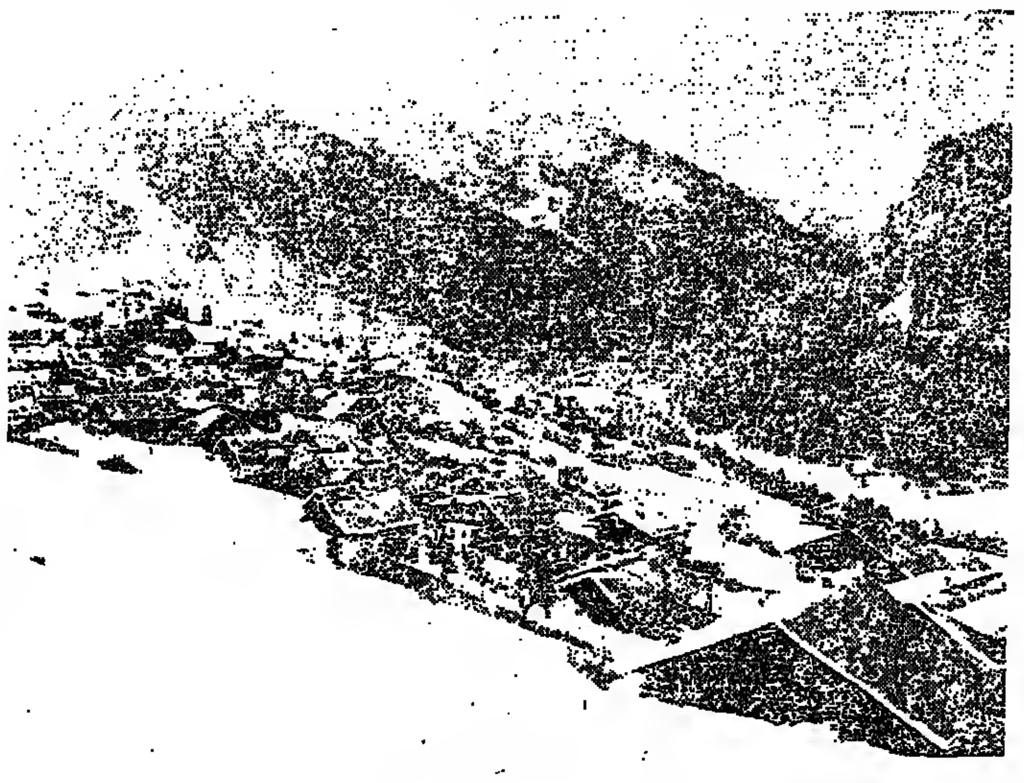
Retirement cottages at Manor Court, Pewsey, Wiltshire, where only one unit is available on a re-sale basis. A similar complex is being built at Berrow Court, Upton-upon-Severn, in the Malvern Hills, where 2-bedroom cottages and apartments are for sale around £44,000 on a 150-year-lease. Details from Noel Shuttleworth, The English Courtyard Association, 8 Holland Street, London, W8 (01-937 4811).

Hill Meadow House, near Basingstoke, Hampshire, was built by Sir Mervyn Macartney, Surveyor to the Fabric of St. Paul's Cathedral at the beginning of the century. This 7-bedroom, 3-bathroom house with a 2-bedroom bungalow in 23 acres with farm buildings, stables, swimming pool and tennis court is for sale at £175,000 through Knight Frank and Rutley, 20 Hanover Square, London, W1.

TRAVEL/GARDENING

Alpine numbers game

BY DAVID FREUD



The resort of Chatel in the Haute Savoie

THE FIERCE competition between Alpine resorts to claim the greatest number of ski-lifts and/or the most extensive piste network has led to an increasing number of smaller stations linking up to provide a single ski area. In Italy, for example, a single ski pass now covers 450-odd lifts in the Dolomites, while the growing popularity of Les Trois Vallees with British visitors stems from the vast expanse of ski terrain on offer

A relative newcomer to the big numbers league—with an extra dimension all of its own—is Les Portes du Soleil. The mountains rise immediately south of Lake Geneva, and contain no less than 14 separate centres, some of them well-known in their own right. There are about 175 assorted lifts and some 650 kms of marked piste. The extra dimension is the Swiss/French border, which snakes straight through the middle.

The two best-known centres are the traditional Swiss village of Champery and the purpose-built French resort of Avoriaz. The first beds in Avoriaz were ready for visitors in 1967, and by the early 1970s there were lifts and pistes linking these two resorts. Since then outlying resorts have built lifts that link into the system, while the Swiss are busy pulling up purpose-built stations of their own on the circuit at Torgon and Champoussin. So in the last year or so the addition of key linking lifts has enabled the skier to range freely over the whole area, although one or two places can still only be reached with the help of short—and cheap—bus rides.

Free as the skier can range, it is still not the easiest place to find one's way, with so far only a wilfully inadequate map for guidance. Moreover the complete circuit from, say, Avoriaz to Torgon and *back* is 100 kms and an early start, an unremitting pace and reasonable good fortune with the connecting lifts are required to complete the trip in a single day.

The area is rather low—between 2,300 metres and 1,000 metres—so most of the runs are fairly short. At the same time the slopes tend to be more gentle than at some of the higher Alpine resorts. But this does not mean that the area is suitable *only for beginners* and intermediates. One of the chief charms of Les Portes is that it is always possible for the adventurous skier to find some *over-looked* valley to exploit. The wooded runs at the Swiss station of Morgins would occupy anyone's time profitably, while the five-mile World Cup piste in *Avoriaz with fresh snow on* it is one of the wonders of the civilised world. At Champéry the gentle off-piste run down to the village at the end of the *day* is known *locally* as Les Anglais due to its popularity with British visitors since the 1930s.

The most common question *asked* by lost skiers in parts of *Les Portes* is not the *direction* of their home resort, but which country they are in. The border cuts straight through the middle of some runs and lifts, leaving no *markings* at all. However, one does not want to carry a passport, though skiers with bulging rucksacks may occasionally find themselves *stopped* by a customs official.

In fact, while there are differences across the border, the similarities are even more *striking*. *The French* chair lifts may move faster than the Swiss ones, but the same French *patois* is spoken on both sides. Even before the arrival of the tourists *the economy of the* area was unified—with both French and Swiss using the Sion cattle markets in the Swiss canton of the Valais.

The biggest contrasts have nothing to do with nationality. On the French side, for instance, the visitor may choose between the lively town of *Morzine*, with its 70 hotels and 17,000 beds, or its wood-clad all-modern satellite of Avoriaz halfway up a mountain. Alternatively he may well prefer Châtel — a charming 17th-century French village, where *viande seche* and local cheeses can be sampled for tea in working farmhouses.

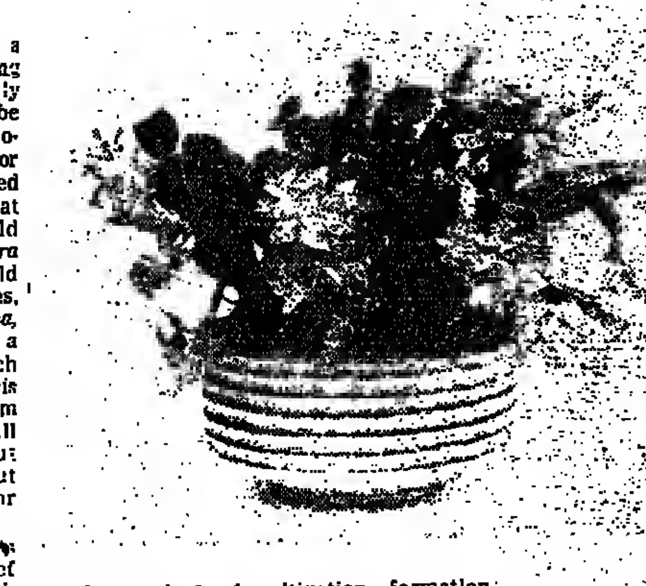
On the Swiss side one can *stay* in modern *studio apartments* or hotels in the midst of the gentle snow playgrounds round Le Crosets or Champoussin, both new developments with *barely a few hundred beds* so far. There are also well-established hotels in Champéry, while popular—and economic—British-style chalet holidays are *offered by* Champéry Chalets.

It may come as a surprise to the skiers who abandoned Switzerland in the mid-70s due to cost that prices are now *coming back into line*. *In fact* beds on the Swiss side of the border tend to be less expensive than on the French side, although French food and drink is still quite a bit cheaper.

For information write to the *Office du Tourisme* in the various centres, ie: Avoriaz 74110, Châtel 74390, both in Savoie, France; Champéry CH 1874, Morgins CH 1875, both in the Valais, Switzerland. Champéry Chalets, Chalet Petits St. George, Champéry 1874, Switzerland.

Please turn out the lights

BY ARTHUR HELLYER



ALMOST EVERYONE thinks of cacti as desert plants which have adapted themselves to survive long periods of drought in arid regions. After all, is that not why they have developed their extraordinary shapes, with stems often so greatly enlarged that they resemble barrels or fat cylinders in which water and food can be stored to tide them over those times of stress when little of either is available from the environment in which they grow?

It is a picture that is partly true but it is by no means the whole truth. There are some cacti which actually inhabit rain forests, places which are hardly ever dry and for much of the time are not only dripping with moisture but are relatively sunless. These cacti are usually partly or wholly epiphytic, which means that they live out of contact with the soil, often perched high up on the branches of trees where they get what nourishment they can from the debris which collects in the crevices and crotches of the branches. Like orchids which live in similar places and usually develop bulb like storage organs these cacti need their fleshy stems because there are no great reserves of food or moisture where they grow and there are times when they must rest and keep themselves alive on their own stored supplies.

It so happens that some of the finest flowering cacti are of this epiphytic kind, the epiphyllums among them, cacti so flamboyant in the size and colouring of their flowers that they are sometimes called the orchid cacti. They require conditions very different from the desert cacti, with some shade or diffused light, a fair amount of water and a much more humusy soil than would be normal for the others.

Another group of these epiphytic cacti are those popularly known as the Christmas and Easter cacti because these are the seasons when they can be expected to flower. It is not a bad idea to stick to these popular names, which are at least well understood by gardeners and nurserymen, whereas botanists have made a hopeless confusion of naming them and seem to be continually arguing whether they should be labelled schlumbergera, zygocactus, rhipsalidopsis or epiphyllum. If I were pressed on the point I would say that the Christmas cactus should really be called *Schlumbergera buckleyi* and that it is a hybrid between two Brazilian species, *S. truncatus* and *S. russelliana*, and that the Easter cactus is a true species from Brazil which should be called *Rhipsalidopsis gaertneri*. But since this dictum is certain to be disputed I shall not use either name again but will refer to them throughout by their uncontentious popular names.

In appearance the two plants are very similar, composed of flattened yet fleshy leaves which are joined, end to end, by narrow attachments which give them an extraordinary comb like appearance. These jointed stems spread outwards and downwards, sometimes arching quite sharply so that they are seen to best advantage when grown in hanging baskets suspended from the rafters in a greenhouse or from a beam or pole in a room where they usually succeed very well since they do not enjoy strong direct sunshine for long periods. Alternatively they can be grown in pots stood on pedestals on other inverted pots so that there is plenty of room for them to hang down.

The flowers come at the ends of the stems, singly or in small clusters, each composed of several rows of superimposed petals all curling outwards and with a cluster of anthers and a long stigma projecting beyond them. The normal colour is carmine, often of an analine brilliance which to some eyes may appear rather crude. The most obvious difference between the two is that the Christmas cactus can be made to flower at Christmas or soon after whereas the Easter cactus (or Whitsun cactus as some people prefer to call it) flowers later in spring. However, this is not quite such a foolproof distinction as might appear since the time of flowering can be altered by the method of cultivation and this is even more true of the Christmas cactus than it is of the Easter cactus.

For the Christmas cactus is one of those plants which gets its signal when to start forming flowering buds from the length of the day. Like the chrysanthemum, it is a short day plant, which means that it starts to form flower buds when days are ten hours long or less. There is the added complication that the temperature needs to be at least 13 degs C. (55 degs. F). Once that happy conjunction has been attained and maintained, buds should commence to appear in from four to six weeks. How long it will take after that for them to open fully will depend on the temperature that can be maintained.

In a greenhouse with moderate heating there should be no great problem in getting flowers at least by January since by late October the natural day length will be about ten hours, getting shorter all the time, so buds can be expected some time in December with flowers a few weeks after that. It is in rooms that difficulties can occur since artificial lighting can completely upset the behaviour of the plants, making them believe that the days are much longer than they really are. Even switching on the light occasionally can upset the natural process of bud formation.

So there are really only two alternatives, either to keep the lights off altogether or to devise an efficient blackout for the Christmas cactus plants that can be kept in position for at least 14 hours every night from about mid September until the buds are well formed. It is also necessary to keep the temperature at least up to that critical minimum of 13 degrees C, preferably a little more for 18 degrees C (65 degrees F) is really an ideal growing and flowering temperature for these plants. These can be difficult temperatures to maintain in rooms that are not centrally heated, or even in rooms that are if the heating is controlled by a time switch which turns it off at night.

These problems do not arise to the same extent with the Easter cactus since this starts to form its buds when the days are lengthening and the temperatures are rising naturally. However there is one peculiarity, often overlooked, namely that the flower buds usually start to form on that side of the plant nearest to the light and this tempts people to turn the plants round a little each day just as they would with hyacinths or other indoor flowering plants. It can be fatal, causing the buds to fall off and leaving few or no flowers.

A son and some lovers

PAPERBACKS

ANTHONY CURTIS

THERE were several women in the life of D. H. Lawrence before he met and eloped with Frieda Weekley. There was his mother Lydia Lawrence, his first and greatest love, who died in 1910 almost two years before he met Frieda; and Lawrence had girl friends when a schoolboy, a pupil-teacher, a student at University College, Nottingham, and a teacher at Davidson Road School, Croydon. There was Jessie Chambers a local Eastwood girl, whose family belonged to the same Nottinghamshire Congregational chapel as the Lawrences, and whom he first met at Sunday school. There was Louie Burrows, a fellow student at Nottingham studying botany. There was Alice Dax—the wife of an Eastwood chemist—who claimed she had been Lawrence's mistress, and there was Helen Corke, a colleague at Croydon who, at the age of 93 in 1975, published her autobiography from 1882-1912, *In Our Infancy*. This contains fascinating recollections of *Lawrence and Jessie during the* period before he had made his first impression on the literary establishment of London.

But it is from Jessie herself that we receive the most vivid account of Lawrence in his formative period, distorted as that impression is by the great frustrating love she had for him. Jessie Chambers Wood, as she became, wrote two intimate memoirs of Lawrence for Emile Delavenay, the French Lawrentian, which he incorporated into his standard work, *D. H. Lawrence: The Formative Years 1885-1919*. Unfortunately Jessie appears to have destroyed these documents before she died. What does survive from her pen, however, is the little book she published as "E.T." in 1935, *D. H. Lawrence: A Personal Record* and it is this that has just been reprinted by the Cambridge University Press as a paperback (£5.95).

Jessie's family moved from their cottage in Eastwood a few miles out into the country to Haggs's Farm where "Bert" became a frequent visitor. He was already writing poems and stories which he would show to Jessie who became the first of his literary midwives, patrons, supporters. Although his was the dominant mind and will in the relationship, she describes how he became totally dependent upon her for the early development of his gifts. Significantly it was she and not Lawrence who sent his first batch of poems to Ford at the *English Review*, and it was to *her* that Ford made the suggestion that Lawrence should come and see him. It was a dependence that encountered the most implacable hostility from Lydia Lawrence, but even this was not enough to break it completely. Eventually however the stresses and strains upon Lawrence became intolerable.

They provided him with the inspiration for *Sons and Lovers* and it was the publication of that novel which ultimately ended his relations with Jessie. She tells of the impact the book made on her when it first appeared and the almost unrecognisable portrait in it of herself as Miriam. In spite of this shock, and the other emotional cruelties perpetrated on her by Lawrence, her memoir is remarkably lacking in bitterness. It is full of the joyful agony of first love and the amazing intellectual adventure of knowing Lawrence when he was educating himself by reading other men's books and sharing that adventure freely with Jessie.

The book is reprinted without reference to more recent research and needs to be read with a glance at Delavenay. At *the same time in this 50th year* since Lawrence's death, the Cambridge University Press has launched on a new scholarly edition of all his writings. We *are accustomed to read* Lawrence in the Heinemann Phoenix edition, on which the paperback editions are based, but unfortunately this text *sometimes bears only* an approximation to what Lawrence actually wrote, and the new edition is to be warmly welcomed. It has started somewhat *perversely at the end with* the last work, *Apocalypse and The Writings on Revelation* edited by Mara Kalnins (Cambridge £12.50). *Apocalypse*

D. H. Lawrence: his mother was his first and greatest love.

began as an introduction to a book on the Apocalypse by the painter Frederick Carter, but Lawrence became so interested in *the subject* that *he produced* a book of his own, presenting Carter with an additional 5,000 word introduction which he did not use. Lawrence's book was *rescued after his death by* Richard Aldington and published in an early text in 1931. This is still current in the Phoenix edition. Now, in the new Cambridge edition, we have for the first time in one volume both the Carter introduction and the subsequent book *plus a short pseudonymous* review by Lawrence of a study of The Book of Revelation by Oman. These writings show how far Lawrence had departed from the Congregational Christian doctrine he was already beginning to question during his walks with Jessie in the countryside near Eastwood.

A course for top people

GOLF

BEN WRIGHT

THE OPENING of a major new golf course is sometimes a disappointing business because so much is left to the imagination. How will the layout appear when every ingredient matures and settles down and the apparently unavoidable alterations are completed? So many new courses create unfavourable first, and even long-lasting, impressions because the need or greed to start recouping the initial massive outlay outweighs all other considerations, most notably aesthetic.

The new Tournament Players' Club at Ponte Vedra Beach, south of Jacksonville, Florida, which was dedicated and opened last weekend, was put into a particularly vulnerable position for more than one reason. As the future home of America's PGA Tour and its professional golfing cast, and the brainchild of Commissioner Deane Beman, it had been built to his orders with an unrestricted budget. This initially alarmed and angered some of the older players who had reached and passed their peak long before the currently huge prize money available had become commonplace.

Designed by the most renowned of all golf architects, Peter Dye, it incorporated many revolutionary features such as massive spectator mounds that will allow as many as 40,000 to see play at a single hole. The whole concept of the design was to make it a truly tough test and thus a worthy venue for the Tournament Players' Championship—the most difficult event to win in world golf in terms of the quality of its field—while still being fun for ordinary mortals to play off forward tees.

Built on a heavily wooded 415 acre area of once snake-infested wilderness just down the street from Sawgrass, the present venue of the championship, the course retains so many of the natural features of the environment that there are only 40 acres of seeded fairways, greens and tees that require regular maintenance: a miniscule number by normal standards.

I first visited the course the day after Lee Trevino had won the Tournament Players' Championship early in March, just a year after heavy construction work had started. No seeding had then been done, but it was still obvious to me and most of the visitors and players who were shown over the site at the time that we were looking at potentially one of the great and most exciting courses built in modern times. The editor of a highly respected magazine went as far as to say: "Even without grass it goes into my top 20 in the world."

To live up to such a reputation seemed to be well nigh impossible on the opening date of October 24, even with the help of Florida's magnificent climate. In some 21 months since the ground-breaking ceremony performed on February 12, 1979 1m cubic yards of earth had to be moved on a site altering in elevation only 18 inches over its entire area to accommodate spectator mounds more than 30 feet in height. Thirty-five acres of lakes and canals were dug, and eight miles of underground drainage tile inserted. A driving range covers 18 more acres, the practice putting green 30,000 sq ft, and tournament parking areas take up another 100 acres. The cost of all this, not including the club house and PGA Tour offices was approximately $2.5m. The luxurious club house, built and furnished in under ten months, cost a further $1.6m.

In the finish it was the weather that came closest to ruining the whole memorable occasion. Two days before the dedication, followed by the first official rounds of golf by invitation only and a banquet afterwards, the area had had no rain for two months, and was suffering. In the next 48 hours the course was hit by 3½ inches in a torrential downpour that did surprisingly little damage, but caused the dedication ceremony to be moved indoors from the first tee. And we played golf on a typically soft British day—gusty winds and drizzle—thankfully with no carts allowed.

I can only say that the course lived up to all my expectations. To those fortunate enough who have played them it is a cross between the best of Pine Valley and two of Dye's previous masterpieces, Harbour Town Links and Amelia Island Plantation.

Anyone who has seen a Dye course will appreciate his cunning use of railway sleepers to separate huge bunkers from water hazards and similarly create plateau greens. On this new masterpiece water comes into play at all 18 holes for the ordinary golfer. But the course plays to a length of only 6,950 yards off the championship tees with a par of 72, 6,052 off the middle and 5,275 off the forward tees. So it is never sheer length but the nature of the terrain, perhaps the major feature of which is vast expanses of sand called waste bunkers that overpower you. For instance no less than five par four holes measure less than 400 yards and only one, the 464 yards fifth is over 450 in length from the back tees. But it is a diabolically narrow course with small greens that place a total premium on accuracy.

There are so many marvellous holes that I cannot describe them all here in detail. But perhaps the most spectacular is the 133 yards 17th, which can also be played from 100 or 82 yards. The tiny, almost circular, green, surrounded by vertical railway sleepers, and with a tiny pot bunker in front, sits some five feet above the water far out into a lake.

CHESS

LEONARD BARDEN

The chess olympics, the world team championship, start in three weeks time in Malta and it is clear from recent results that the young English players will be strong contenders for medals. Tony Miles, the British No. 1, has enjoyed a wonderful run of success since the Phillips and Drew Kings at County Hall, London, and his record of consecutive first prizes, outright or shared, now stands at ten.

Miles's latest impressive achievement came last week at the powerful grandmaster tournament at Vrbas, Yugoslavia. The event was category 13 on the World Chess Federation scale, with an average strength equal to a British grade of 245. The Olympic champions Hungary and the USSR were both strongly represented but Miles emerged on top.

Full results were Miles (England) 7 out of 11, Petrosian and Yusupov (both USSR) and Adorjan (Hungary) 6½, Sax (Hungary) and Ivanovic (Yugoslavia) 6, Gligoric and Kurajica (both Yugoslavia) 5½, Bukic, Velimirovic and Ivkov (all Yugoslavia) 4½, Popovic (Yugoslavia) 3. Miles led throughout, won his individual game from Yusupov (runner-up in the last Soviet championship) and would have been first by a wider margin but for a late defeat by the tail-ender Popovic.

Vrbas underlines Miles's growing stature as a world title contender and offers a direct challenge to Anatoly Karpov. The champion is currently playing in Buenos Aires, also a category 13 event, where there were rumours that he had vetoed Miles's participation in revenge for his 1 P-K4, P-QR3 loss to the British grandmaster at the European championship. After seven rounds at Buenos Aires Karpov had only scored four points and was 4½ behind the leader, Larsen.

Miles's brilliant run is only the highlight of a series of fine British achievements in recent months. Our No. 2 in Malta, Michael Stean, has been mainly occupied as chief assistant to Korchnoi in the latter's world title campaign; but Stean was unbeaten with 10 out of 13 in winning first prize at another Yugoslav event at Smederevska Palanka, also ahead of a Russian GM.

Jonathan Mestel, who plays board six in Malta, was runner-up at the North Sea Cup in Denmark, dividing the Russians Yusupov and Savon who finished first and third; while Raymond Keene, the fifth board in the world team event, finished an unbeaten winner of the grandmaster tournament in Dortmund.

This stream of success has not gone unnoticed by European tournament organisers. Miles, Stean and John Nunn, are all currently playing at Baden bei Wien in Austria where Spassky leads the Russian contingent. It all promises well for our results in Malta, where more than 80 nations will *participate*. This week's game helped Keene to his Dortmund success and demonstrates an interesting and clear-cut strategy against a *fashionable opening*.

White: R. D. Keene (England). Black: K. Podzielny (West Germany). King's Indian Defence (Dortmund 1980).

1 P-Q4,N-KB3; 2 P-QB4,P-Q3; 3 N-QB3,QN-Q2; 4 P-K4, P-K4; 5 N-B3,P-B3; 6 B-K2,P-KN3; 7 B-K3,B-N2 (better N-N5; 8 B-N5,P-B3 followed by regrouping the knight to KR3 and KB2); 8 P-Q5,PxP; 9 BPxP,0-0; 10 N-Q2! (in conjunction with White's moves 12,13 and 15 this is a favourite formation of Keene's where he aims to control the queen's side light squares preparatory to a rook break-through on the QN file); *P-QR4*; 11 *0-0,N-B4*; *12* P-QR4,N-K1; 13 N-B4,P-N3 (a trap is P-B4? 14 NxQP! QxN; 15 N-N5,Q-N3; 16 R-B1 regaining the knight with advantage); 14 R-N1,P-B4; 15 P-QN4,RPxP; 16 RxP,R-R3; 17 N-R3,R-R4; 18 P-B3,B-B3; 19 Q-Q2,R-B2; 20 KR-N1,PxP; 21 PxP,B-R3; 22 N-B4,BxN; 23 BxB,B-N2 (already Black has to concede a pawn), 24 RxP,Q-R5; 25 R-N8,R-B1; 26 B-KN5 (gaining more material, for if Q-N5; 27 B-K7), NxKP; 27 NxN,QxN; 28 QxR,Q-Q5 ch; 29 K-R1,QxB; 30 Q-N5, Resigns.

POSITION No. 344

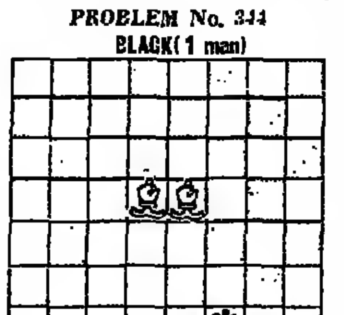
BLACK (13men)

WHITE (12man)

J. Horner v. F. Rayner, Greater Manchester autumn open 1980. White (to move) has sacrificed rook and pawn for bishop to reach this attacking position. What should he play next, and how should the game go?

PROBLEM No. 344

BLACK (1 man)



WHITE (2 men)

An unusual puzzle by M. Techritz (Stern, 1977). Both kings have been accidentally knocked off the board, and the problem is to replace them so that White (to move) can then checkmate in one.

Solution Page 16

BRIDGE

E. P. C. COTTER

Today's example hands both occurred at rubber bridge. The first one is pleasing:

N.
♠ 9 5
♡ J 8 6 5 2
♢ A 9 7 2
♣ K 3

W.
♠ K Q J 10
♡ A
♢ J 6 4
♣ Q 10 9 6 2

E.
♠ 8 7 4 3 2
♡ K 3
♢ Q 5
♣ 8 7 5 4

S.
♠ A 6
♡ Q 10 9 7 4
♢ K 10 8 3
♣ A J

At game all South dealt and bid one heart, West doubled, and North said two no trumps. This bid is conventional after an opposing take-out double, announcing a sound raise to three hearts, and South carried on to four hearts.

West led the spade King, and declarer took stock. He seemed to have four inescapable losers, two trumps, a spade, and a diamond, but there were elimination possibilities. Winning with his Ace of spades, South cashed Ace and King of clubs, and then returned the spade nine to put West on lead.

Cashing his trump Ace in order to avoid being thrown in again, West returned the ten of clubs. This, he knew, would concede a ruff discard, but *one* ruff discard would not give the contract — it would not allow South to throw two diamond losers. The declarer discarded dummy's diamond two and ruffed in hand, then he led another trump, and East was endplayed. If a black suit return is made, a second ruff discard is conceded, and this is fatal. Another diamond is thrown from the table, while declarer ruffs in hand, the Ace and King of diamonds are *cashed, a third diamond is* ruffed in dummy, and the contract is delivered.

In actual play East led back the diamond Queen, hoping that South would place him with the Knave as well, but the declarer, who had decided to play for split honours, won in hand, led another diamond, and finessed dummy's nine.

Now for a hand which I played a few days ago:

N
♠ Q 3
♡ J 9 8 6 5 4
♢ K 7 4
♣ 10 5

W
♠ J 4
♡ K 10 7 2
♢ Q 10 3
♣ K Q 6 4

E
♠ K 6 5 2
♡ A Q
♢ J 8 2
♣ A J 9 2

S
♠ A 10 9 8 7
♡ 3
♢ A 9 6 5
♣ 8 7 3

In a hard fought rubber the score was game all, with both sides 60 below, when I dealt in the South seat, and started proceedings with one spade. This was not meant to be clever, but was in accord with my theory that when the opponents have a part score you must open if you have any reasonable contribution to offer partner — otherwise you get shut out. It is obviously far more dangerous to come in later at the two-level.

Rightly or wrongly, I said one spade, West passed, my partner replied with two hearts, for *which* she *had* not the qualifications, and with a singleton in her suit, I felt compelled to rebid two spades, and all passed.

West led the club King, East dropped the nine, took the next club with his Ace and returned a club to force dummy. Ruffing with the three *on* the table, *I* returned the four of hearts. East stepped up with the Ace, and led a fourth club. I threw a diamond from hand, ruffing with dummy's spade Queen, and returned a heart which I ruffed with the seven of spades. I cashed the diamond Ace and King, ruffed another heart in hand, and cut adrift with my last diamond. East, who had thrown a diamond on the third round of hearts, ruffed and led back a trump through my Ace, ten, nine. All I had to do was to play low and make certain of two tricks for my contract. Poor defence, of course, but with only 14 of the 40 points you need some assistance.

HOW TO SPEND IT

by Lucia van der Post

Shelving the problem

IF THERE is a house that has enough shelving I haven't yet come across it. We all of us need shelving for holding and storing the hundred and one things that any household with living, breathing humans in it collects as certainly as a stone collects moss. Just a couple of basic shelves and some simple brackets in a cloakroom can give an air of comfort by holding books, spare hand-towels and soap. Teenagers need shelving for storing all the myriad things they collect quite apart from essential things like schoolbooks and clothes. Adults need shelving for books, for kitchens, for clothes, and sometimes they need very smart shelving for setting-off fine pieces of sculpture or objets lovingly collected through the years.

This week I've gathered together some of the newest of the shelving systems around. They range from the simple, do-it-yourself systems like the Kenrick kits to the exquisitely finished, almost sculpturally beautiful lines of the Castiglioni free-standing unit. Somewhere here there ought to be something for most people's needs.

BRUYNZEEL'S Monta has become the darling of the French furnishing magazine writers and one can see why. It manages to combine versatility, good looks and a certain lack of pretentiousness with a high degree of finish. Monta is in some ways similar to the Shelf Store system featured elsewhere on the page but seems to be the more sophisticated system of the two and also, if my calculations are right, the more expensive.

In other words — it's horses for courses and whichever system you opt for depends on what you want to use it for, where you want to put it and how much you are prepared to pay for it. My advice would be for anybody interested in this kind of storage to go and look closely at both systems before deciding.

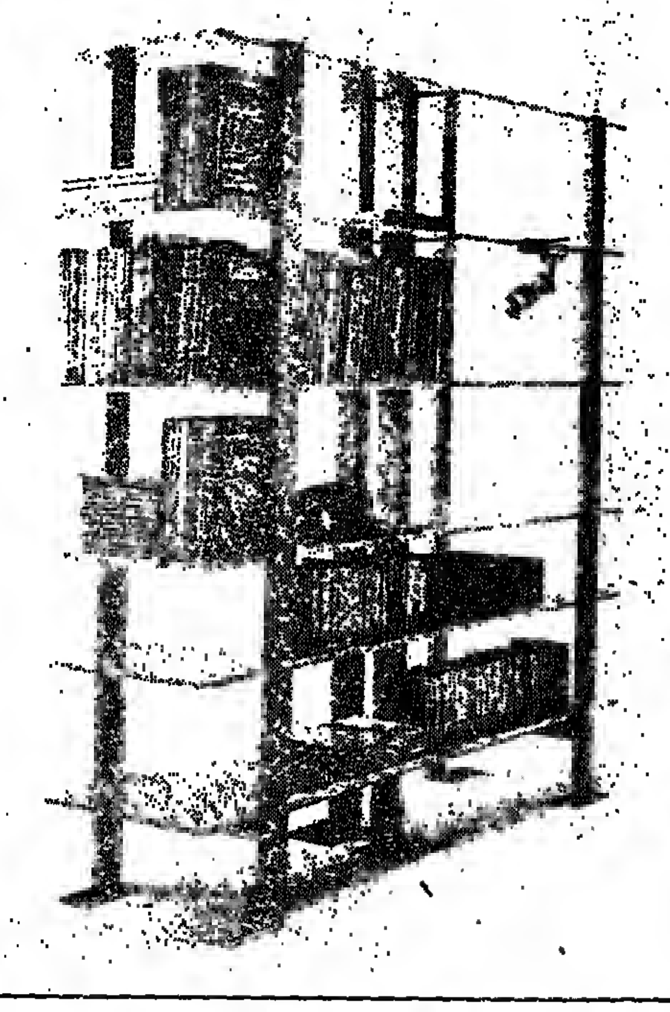
Monta is basically a multi-purpose storage system made from solid blonde natural pine. It is very easy to assemble and dismantle so it can be rebuilt into different shapes if the use of the room changes, you move house, the children grow up or you just simply change your mind.

Monta consists of grooved pine uprights in differing heights and depths. The shelves are supported on metal clips which slot into the uprights and any number of shelves can be used at any one time on any upright. The system can be braced either with floor or wall fixing brackets, or by back panels or metal cross bars.

Besides shelves, there are drawers, extended shelves, slatted doors, interior fitments for cupboards, back panels for greater rigidity, bottle racks, solid pine table tops, slatted pine tables, corner units and a series of interlinking boxes (marvellous for displaying "collections")—a whole host of extras which give greater versatility and sophistication.

Although the system was first designed in Holland and has been going very successfully in France for some years it is fairly new to Britain. To give some idea of prices—two-drawer sets measuring 12 ins deep by 36 ins wide are £28.75, solid pine table tops, measuring 24 ins by 78 ins are £74 and slatted pine tables, 16 ins by 30 ins are £24.15. Prices are approximate.

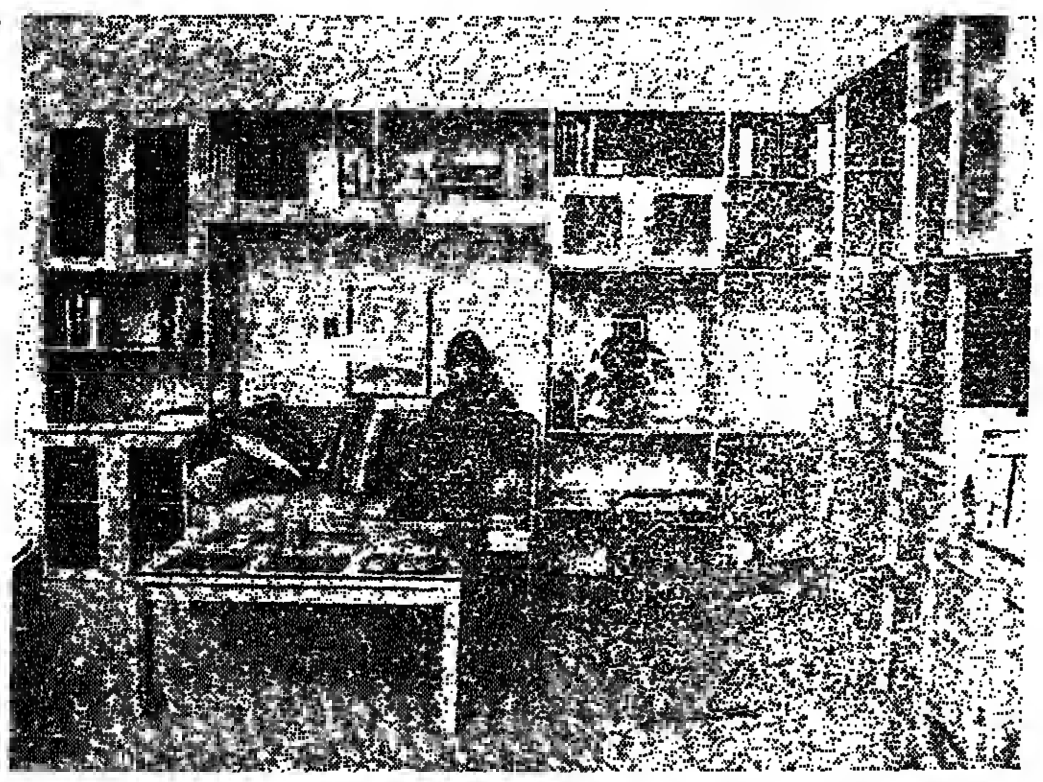
You can see Monta in the ... department of Heal's, 196 Tottenham Court Road, London, W.1. There are other stockists around the country and for further details write to: Bruynzeel Storage Systems (Monta) Stocklake, Aylesbury, Bucks.



IT SEEMS comparatively easy to find informal shelving of the sort that looks good in playrooms, hobby rooms, kitchens or spare rooms but it isn't always easy to find really elegant shelving that would look right in more sophisticated settings. **As Castiglioni is one of the most sophisticated Italian designers it isn't surprising that he has produced what is to my mind one of the most desirable free-standing pieces of furniture that I've seen.**

As always with Castiglioni the attention to detail and the finish is exquisite and the utter simplicity of the design is deceptive. If you take the trouble to go along to Aram Designs at 3, Kean Street, Covent Garden, London, WC2 (which sells it) it is immediately obvious just how much taste, know-how and skill has gone into the apparent simplicity.

Part of the charm of the shelving is the materials and the finish—it can be ordered either in natural beech, stained a darkish red or lacquered black or white. There are two sizes, one called Eta, one Beta (Eta is 87 cm by 55 cm by 200 cm while Beta is 90 cm by 33 cm by 200 cm) and prices start at £215 and go up to £319, depending on the finish. Contact Aram Designs for further details.



Hugh Routledge

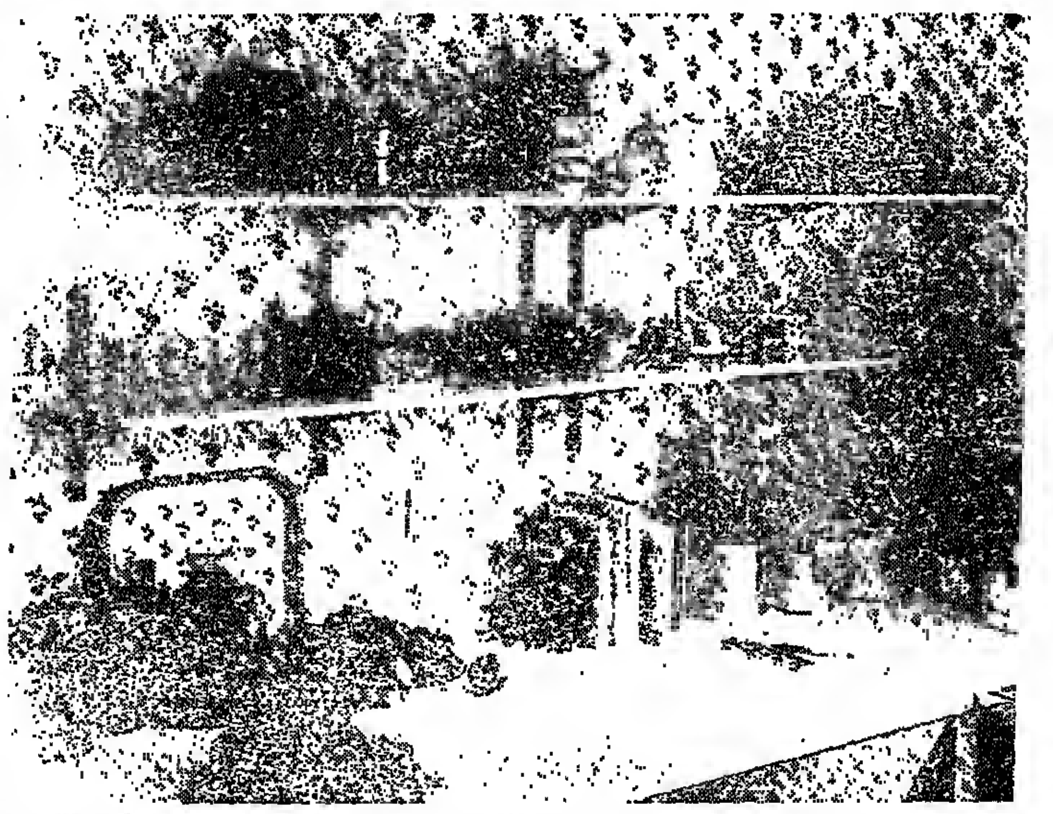
IF YOU want a really comprehensive storage system, something that can take in babies' clutter, teenage records, clothes, books and all the other paraphernalia that we all seem to collect, then Shelf Store, a system newly-imported into this country from Sweden, certainly offers as wide a variety, as flexible a combination as I've come across. As you can see from the photograph there are open shelves and closed-in shelves, deep shelves and shallow shelves, and there are varying heights and depths, all of which allow a huge number of different combinations which can be adapted to suit most rooms and most needs.

The system was designed and manufactured in Sweden by Rune Liljemark over 30 years ago and it's still going strong. It is based on modular metric uprights and shelves and it clips together rather like an adult version of "Lego." The components are made from solid Swedish pine and come in sealed and sanded finishes which can be left alone or be painted and stained to almost any colour.

Besides the basic components, the uprights, shelves and cupboards there are also some additional parts that can be added to furnish almost completely any room. You can choose desk and table tops, drawer units, cupboards, wardrobes, beds and record holders. Then there are stationery shelves, filing units, display boards and display lighting.

The picture above gives some idea of just how comprehensive the Shelf Store system is—everything except the chair and sofa is part of it. To give some idea of price—the glass-fronted unit to the left of the sofa, the shelves above the sofa and the storage unit immediately to its right (not including the corner unit) would add up to about £270.

I always find working out comprehensive schemes like this exceedingly complicated, needing endless hours with calculator, tape-measure and brochure but if you have the stamina for it you should be able to find a scheme to fit the room you have in mind. There is a printed leaflet which lists all components, all measurements and all prices and it can be sent to any reader on request. Just write to Shelf Store, 59/61 New Kings Road, London, SW6 4SE. Londoners can visit the shop and see the system in situ. The shop works on a cash and carry system so if you know what you want you can carry it away on the day you buy it.



THE Kenrick Shelf kits are not so much a comprehensive system, more a cheap and easy way of providing instant storage for the odd corner of a room that needs it. You could use it beside a telephone to hold notebooks and pencils, in a cloakroom to hold some books, in a children's room to double as a bedside table, in a hall to store letters and messages.

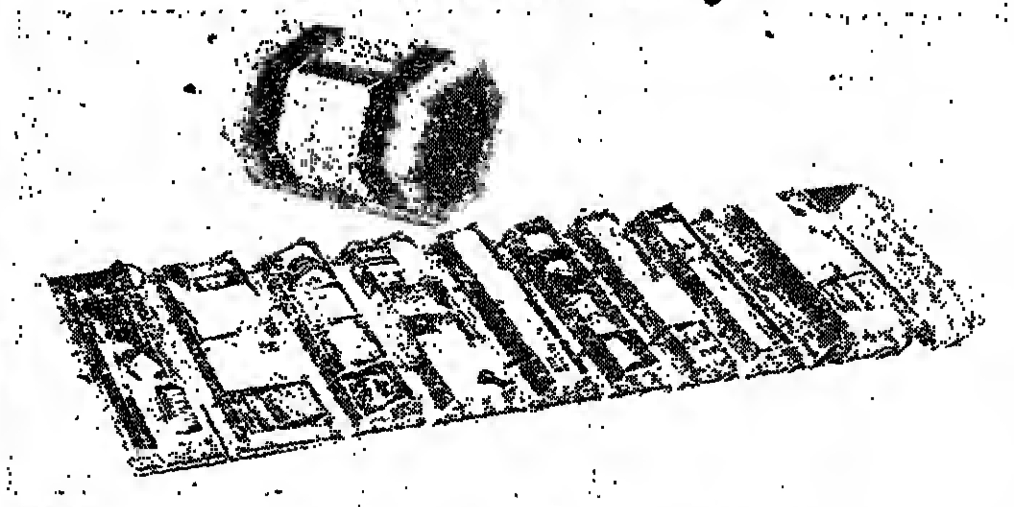
The convenient thing about the Kenrick kits is that you buy a complete carry-home package. You just need to decide on the size of the shelves and the colour you want (a choice of white or pinewood finish with blue or brown supports) and then you buy the box. Inside the box is everything you need—wall uprights, shelf brackets, screws, wall plugs (two sets, one for solid, one for cavity walls), fixing pads and all instructions.

The shelves themselves are made from the sort of chipboard normally used in the furniture industry, ⅝ in thick, laminated with melamine and finished on all six sides. The uprights are aluminium and brackets blue or brown.

There isn't a big variety of shelf sizes (just two in fact, 2 ft long and 3 ft long, by 9 ins wide) but shelves can be slotted into the uprights at any point which gives great versatility in the height of shelves. The uprights themselves are 20 ins long and obviously longer shelving systems can be constructed by combining the 2 ft and 3 ft long shelf sizes.

The complete cartons can be found in most do-it-yourself stores and hardware departments. Prices vary between £12.10 for a 2 ft Blue/White shelf kit and £18.69 for a 3 ft Brown/Pine kit.

Stash and carry



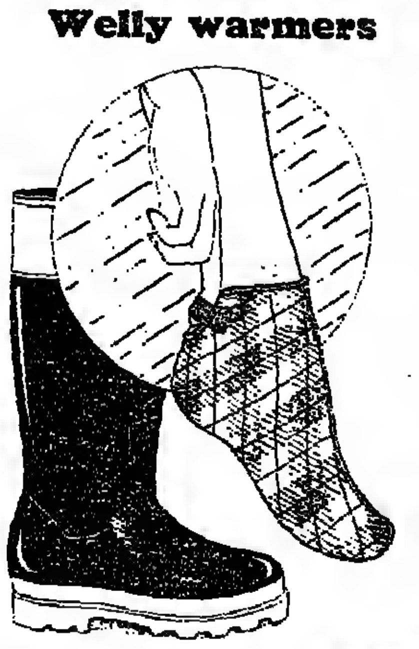
THE Rolykit is not the most beautiful object I have ever set eyes on but it is extremely useful. The brainchild of a Dutch film producer called Samuel Meyereng, it is a larger, sturdier, more versatile version of a jewellery roll. When shut, it forms a compact, hexagonal shaped box. When unrolled it reveals a myriad different compartments which can be used for storing anything and everything—the ardent exponent of do-it-yourself could use it for nuts, screws, Rawlplugs and all those other mysterious gadgets that they seem so addicted to.

It could be used as a large and portable medicine chest, for storing the umpteen bits and pieces that hobbies like jewellery-making, embroidery and model-making seem to require. Its great advantage is that it is absolutely mobile and that while rolled up into its hexagonal shaped box it can be shaken about and thrown in the air and nothing will be dislodged.

The whole box is made from specially strengthened polystyrene and has a self-locking device to keep it safe from prying fingers. It measures one foot wide but you can buy it with three and a quarter feet of compartments for about £12 or with four and a half feet of compartments for about £15.

When it was launched in Holland sales took off immediately—some 100,000 were sold in a few weeks. Here you can find it in major department and hardware stores throughout the country, including Selfridges and John Lewis of Oxford Street, London W1.

Welly warmers



NOW for the welly warmers — neat, double - insulated socks which absorb moisture on the outside and stay warm and dry inside. Issued to North sea oil rig workers and members of the British Transglobe Expedition they are now available to the public by mail. Sokkets for women come in tartan, sizes 3-8, sokkets for men are in plain blue or grey, sizes 6 to 12. £3.19 a pair. By post from Southminster Supplies, Trusses Road, Bradwell-on-Sea, Southminster, Essex. Add 20p postage and packing.

Postscript

WHEN I wrote about the amazing things that Robert Cotton does with the undamaged portions of old Oriental rugs, I only gave readers his telephone number. Since then many callers have said they would have preferred to write, so if there are still readers who would like his full colour photograph and all details of his carpet bags, they should send a stamped addressed envelope to Robert Cotton, 19, Lambolle Road, London, NW3.

Being counted

BY ANTHONY CURTIS

The Prague Trial 79 was recorded before an invited audience at the Paris Theatre, Lower Regent Street, and broadcast last Sunday (Radio 3, October 26), one year after the Czech playwright Vaclav Havel and five other dissidents, all of them signatories of Charter 77, had been tried and sentenced to a total of 19½ years imprisonment for "criminal subversion against the state." It was not only a faithful, moving reconstruction of the judicial farce of the original trial, but also a demonstration of solidarity on the part of the theatrical profession for a colleague whose courage had been rewarded in his own country by imprisonment, censorship and enforced silence.

A transcript of the trial was put together out of the recollections of the few relations of the accused who were permitted to sit through the proceedings. This was prepared for the stage in France by Patrice Chereau and Ariane Mnouchkine, and was translated into English and adapted for radio by Christopher Hampton. John Mortimer filled in the notorious history of show trials in Prague; Flora Robson and Julius Tomin read Havel's own comment in English and Czech; Glenda Jackson recited the appeal summary.

Playwrights Ronald Harwood, Peter Barnes and David Hare were all counsels for the defence. George Cole was Havel; Gwen Watford was the woman psychologist, demoted to cleaning lady, who justified her membership of VONS (the Committee for the Defence of the Unjustly Persecuted) in terms of simple human compassion with restrained eloquence. Robert Lang, Peter Jeffrey, Clifford Rose and Mary Wimbush were the other defenders, their resilience and integrity emerging in spite of the efforts of the trial judge and state prosecutor to suppress them. These instruments of repression were realistically interpreted by Ian Richardson and Brian Haines. "I do not wish," said Otta Bednarova, the former TV journalist on trial, played by Miss Wimbush, "to be manipulated into playing any kind of role."

This to me was the most revealing remark in the whole absorbing and appalling drama. The legalistic ritual of accusation by the representatives of the state, fixing on individuals who are required to justify everything they have ever said or done, creates an inevitable aura of guilt even though we know they are inocent people determined whatever the cost to behave well. The world of Kafka, himself a Czech, does now begin to seem like straightforward realism. Martin Jenkins directed; with a cast of such outstanding ability he had very few problems. The tramp of feet on wooden boards, which punctuated the action as each fresh witness or defendant took the stand, was all that was needed by way of effects to recreate the bleak heartless echo of the courtroom. At no time were any of the defendants or their lawyers allowed to quote any of the communiqués for the alleged subversiveness of which they were put on trial.

If any one event were to be adduced in refutation of the behaviourist view of human life the behaviour of those Czech dissidents would be my choice. The week before the BBC gave us a radio biography, written and narrated by David Cohen, of *J. B. Watson* (Radio 3, October 19) who was America's answer to Pavlov. This was full of interesting material but the presentation switched uneasily between serious consideration of the scientific issues and the local-boy-makes-good and (later when he had made good) famous - scientist - in - divorce - scandal sides of the story with actors cast in the role of the leading participants. Perhaps the temptation of showing dramatically how a defrocked academic became the guru of Madison Avenue was not to be resisted. Nowadays you do not even have to be defrocked.

Bernard Kops, I am convinced after listening to *Over the Rainbow* (Radio 4, October 11), is England's answer to Neil Simon. Mr. Kops does for NW3 and NW6 what Simon has done for Queens and Brooklyn. He gives a finely observed and perfectly pitched representation of what goes on within the private world of the domestic interior. His heroine in this play, Sondra, has escaped into a fantasy made up of remembered scraps of old Hollywood musicals and melodramas. The question is, when her married lover starts cheating on her, will she be swept back into the embrace of her Jewish family or stay with her fantasies? Hilarious dialogue and a gem of a main performance by Maureen Lipman.

Scene from 'Of Mice and Men'

Of Mice and Men

BY DAVID MURRAY

The well-balanced trio of operas at the Wexford Festival this autumn was completed by the American Carlisle Floyd's *Of Mice and Men*, drawn from Steinbeck's novel by the composer himself. The libretto, notably concise, does not aim for the breadth of the novel; rather, it picks up the fated pair of migrant workers who are the central characters, and surrounds them with just enough of a cast to fill out their setting — the ranchowner and his frustrated wife, and four glum ranch hands. The result is on a novella-scale, exactly focused and honestly moving.

The score is through-composed (a pity that there had to be elaborately visible scene-shifting during the interludes), but it makes careful room for lyrical set-pieces in the manner of recent musical comedy. That doesn't seem forced, given the frequency with which the characters recount to each other their dreams of a rosy future. Here Floyd's idiom is at its most innocent — it never ventures outside mid-century American mainstream anyway — and is more toughly extended only in the more dramatic scene-music. (Even in the reduced scoring used at Wexford, conducted by John DeMain to very astute effect, the piece sounds over-orchestrated, freighted with heavy brass and percussion: neither the dramatic tensions nor those built into the music are on the epic scale that would justify that magniloquence.) If the invention in the score is of a conventional order, it is more than merely professional in its close, sensitive articulation of the action.

The virtues of the piece were magnified in Stewart Trotter's production—pungent, clean, brilliantly attentive to theatrical and musical demands alike, with scarcely a hint of operatic routine. He had the advantage of two fine American principals, experienced in their roles: Lawrence Cooper lent his full, strong bass-baritone to the dour, doggedly loyal George, and the black tenor Curtis Rayam offered a simple-minded Lennie —it might have seemed an uncomfortable bit of casting—with such warmth and tact as to make the vignette a small, dignified tragedy.

Another American guest, Christine Isley, gave a sharp sketch of the lonely wife—some uncomfortably squally singing suited the character rather well, half slattern and half waif. John Winfield was her surly husband, a bit too obviously nervy and defensive. All the ranch hands —Sean Mitten, Padraig O'Rourke, Brendan Cavanagh and Paul Arden-Griffith—were impeccably played, with individual touches unobtrusively introduced. John Cervenka's designs evoked just what was needed: rustic bleakness, homely makeshift, dust.

The orchestra for all the operas was the Radio Telefis Eireann Symphony. The RTE also lent its resident Academica String Quartet for a pair of afternoon recitals. They shone in Schubert, displaying much intelligent finesse in his great G major quartet and an impressive grasp of the whole structure of his "Death and the Maiden." They were less assured when it came to building dramatic excitement: without that, Franck's F minor piano quintet seemed direly interminable, and even Brahms' matching quintet — strongly helped along by the pianist John O'Conor — generated less fire than it ought to do. Civilised performing, nonetheless, and a welcome addition to the Festival's lively programme.

Award for guitarists

Fast on the heels of the Mobil award for young harpists comes a competition sponsored by the Sherry Producers of Spain and the Sherry Shippers' Association of Great Britain for young classical guitarists. Known as the Segovia International Guitar Competition, there will be a first prize of £2,000, with £1,500 for the second and £1,000 for the third.

The competition will be held at Leeds Castle in Kent from October 9-14, 1981 and entrants must be 30 or under.

Dog Days in Vienna

BY B. A. YOUNG

Imagine the Arts Theatre (say) playing nothing but drama in German, and attracting audiences of 80 per cent capacity, and you have some idea of the curious phenomenon of the English Theatre in Vienna. Vienna is not a polyglot city; yet the English Theatre has flourished there for 18 years.

It was founded in 1963 by Dr. Franz Schafranek and his wife, an American actress, Ruth Brinkmann. If this sounds as if the theatre were just a vehicle for Miss Brinkmann, it is misleading, though naturally she has played there a lot. What Dr. Schafranek intended was to start a movement for international understanding. As a young man he spent painful years as a refugee, as many young Europeans did. Now, seeing English as the prime international language, he founded his theatre as a herald of English theatres in capitals all over Europe.

It is sad that his example has not been followed as it should. There was once an English-language theatre in Paris, now there is not. An English theatre has just opened in Munich: we shall see how it gets on. Meanwhile, however, the Vienna theatre, supported by the Austrian Ministry of Education and the City of Vienna, goes from strength to strength.

It is run as if it were an English provincial house. All players have Equity contracts, and the minimum salary is no less than £200 a week. Vienna is an expensive city to live in, but that is a generous rate. What's more the theatre has connections that can ensure good accommodation for the players at about £4 a night for bed and breakfast. So it is not surprising to find well-known names in the casts—Siobhan McKenna, Celia Bannerman, Hywel Bennett, Keith Baxter, to pick a few at random (and leaving out special cases like Dame Anna Neagle and Joan Fontaine), and directors like Christopher Denys, Caroline Smith and Peter Coe.

It occupies a pretty little 250-seat theatre in the Josefsgasse, which it took over from the Vienna Teachers Association in 1974 and opened with Terence Rattigan's *In Praise of Love*.

Many of its productions are premieres of one kind or another, either seen for the first time in Europe, the first time out of England or whatever. Dr. Schafranek, who produces everything and sometimes directs as well, goes unashamedly for publicity; because he regards his English-language theatre as something of a mission, he wants as many people as possible to know about what goes on there.

The current attraction is Simon Gray's first venture as a director of his own work. The play is *Dog Days*, which I saw in Oxford in 1976, but which never came to London. Simon Gray was originally to direct it at the Oxford Playhouse, but chickened out after having expressed certain doubts about the play (this is all in his introduction, so I am breaking no confidences).

It is in fact a good play to start direction with, I imagine, for save for one brief moment there are never more than two of the four characters on stage at the same time. The story can be quickly summarised: rundown publisher Peter is chucked out by his wife and fails to make it with Joanna, the girl he thought might act as a substitute. He returns home wearing all the outward signs of reformation, and . . .

Well, and . . . because the author could have finished it any way he liked without touching the first three-quarters of the play. Peter could have gone back to his wife Hilary, or he could have substituted Joanna, or Hilary could have chucked him out again.

This isn't my favourite among Mr. Gray's works; it suggests a first draft for *Otherwise Engaged* and indeed has a character, Peter's wet schoolmaster brother, who turns up almost interchangeably in that play. But Peter and his wife are beautifully drawn characters; he cruel in his self-indulgent neglect of other people's needs, she cruel in her determination to sacrifice her husband in the cause of properly conducted life. Michael Byrne and Caroline Lagerfelt (a very attractive actress from New York) confront one another effectively, while Joanna (Susan James) decorated her scenes very nicely and John Horton (brother James) makes what he can of a part that seems to have no object but to provide feed-lines for Peter. And yes, the direction seems to be most able.

BBC NSO/Hallé Choir

With vulgar presumption the public performances of the BBC Northern Symphony Orchestra in Manchester are styled "Master Concerts." The BBC aim evidently is to score a point against the Hallé Orchestra, which claims the loyalty of normally larger, more devoted audiences.

Thursday night however the BBC "borrowed" the Hallé Choir and the choice of Verdi's *Requiem* left few empty seats at the Free Trade Hall. This was the first Manchester concert to be conducted by Edward Downes in his new capacity as the orchestra's principal conductor. Oddly enough he is not to reappear in this series until March but his engagement may well prove beneficial.

Verdi's *Requiem*, often and justifiably called an operatic work, was well calculated to show his special skills and affinities. The music was given an appropriate tension and a due emphasis on the contrast between extremities of sound—though in some early moments the orchestra drowned the choir. Eight extra trumpets in the circle of the hall (double the number stipulated by the composer) supplemented the four trumpets on the stage for the proper spatial effect in the Dies Irae.

Apart from a thin-toned and squeaky first oboe the orchestra showed itself in handsome colours. The choir sang with the robust accuracy which must surely arise from long acquaintance with the work. The ensemble of solo singers—Margaret Curphey, Sarah Walker, Kenneth Collins, and the American bass Malcolm Smith—did not blend particularly well but this had some excuse, since Miss Curphey was replacing the indisposed Anne Evans at less than 12 hours' notice. With her rather loose vibrato Miss Curphey was somewhat disappointing, and Mr. Collins also showed himself in less thrilling tone than I remember in some of his Welsh National Opera performances. (He had some odd distortions of Latin vowel, too.) Mr. Smith's bass voice was firm but lacked grandeur and it was Sarah Walker alone who managed to give her part not only the force and range but the distinction of vocal colour which Verdi deserves.

ARTHUR JACOBS

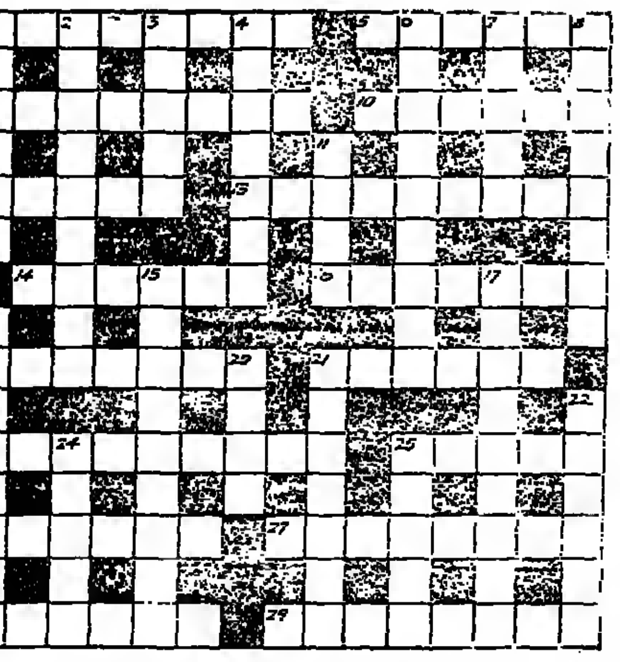
F.T. CROSSWORD PUZZLE No. 4,415

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



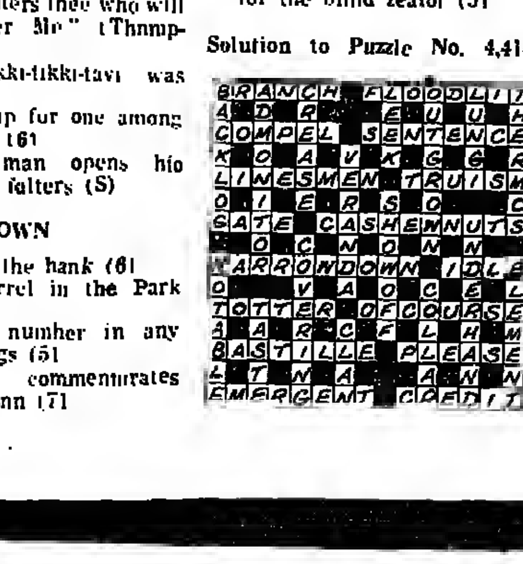
ACROSS

1 Acidic result of a rough person in charge (8)
5 Whispers like a date in March (6)
9 Trite quotation like *Hinc illae lacrimae* (5, 3)
10 Mean objective follows little intelligence (6)
12 Opposing forces in the Yemen (5)
13 Cry of dog in chains by the eucalyptus trees (9)
14 The queer party is taking place—it's just fabulous (6)
16 Smooth resin in the head (7)
19 Strangely weaned I found fresh inspiration (3, 4)
21 Starts the fights (4, 2)
23 Crossed when the Wallabies visit the Kiwis (6, 3)
25 Brought home in triumph in rival Shakespeare (5)
26 "—— shelters thee who will not shelter Me" (Thompson) (6)
27 What Rikki-tikki-tavi was (8)
28 The way up for one among celebrities (6)
29 A good man opens his mouth but falters (8)

DOWN

1 Sapling in the bank (6)
2 Nasty quarrel in the Park (6, 3)
3 Irritate a number in any surroundings (5)
4 Sea that commemorates Daedalus' son (7)
6 Bunker activity to engrave the glass (4-5)
7 Gloomy note on the back (5)
8 Dodge the team getting promotion (8)
11 "The boast of heraldry the —— of pow'r" (Gray) (4)
15 Sponsor has acquired a sinister reputation (9)
17 Plant associated with the Holy City (9)
18 After this month workers have their moments (8)
20 Recess found in perhaps early English period (4)
21 Remain to the end of strike (4-3)
22 Causes annoyance in a French city (6)
24 Hot bath for girl with sex appeal (5)
25 Large portion of the Bible for the blind zealot (5)

Solution to Puzzle No. 4,414



SOLUTION AND WINNERS OF PUZZLE No. 4,409

J. T. O'Brien, Flat B. Knocknageeha, Upper Galwally, Belfast, N.I. Graham Turner, 43A Station Road, Haxby, York. Miss J. C. Jackson, 205A Castelnau, London, S.W.13.

TV/Radio

BBC 1

† Programme in black and white

9.05 am Better Badminton. 9.30 Multi-Coloured Swap Shop.
12.15 pm Grandstand: Football Focus (12.20); Racing from Wetherby (12.50, 1.20, 1.50); 1.00 Lambert and Butler Premier 'Chase; 1.30 Associated Tyre Specialists Handicap 'Chase; 2.00 Charlie Hall Memorial Wetherby Pattern 'Chase; Rugby Preview (1.40); International Rugby Union (2.10): Wales v New Zealand; World Championship Boxing (4.00), Glasgow: Jim Watt v Sean O'Grady; 4.40 Final Score.
5.10 The Basil Brush Show.
5.40 Doctor Who.
6.05 News.
6.15 Sport/Regional News.
6.20 Generation Game.
7.15 Juliet Bravo.
8.05 The Two Ronnies.
8.50 News and Sport.
9.05 Film: "The Quiller Memorandum," starring George Segal and Alec Guinness, script Harold Pinter.
10.45 Parkinson.
11.45 World of Championship Boxing: Watt v O'Grady highlights.

All Regions as BBC-1 except as follows:

BBC Cymru/Wales—8.25 am Better Badminton. 8.50 Crackerjack. 6.15 Sports News Wales. 12.25 am News and Weather for Wales.

Scotland—4.55 and 6.15 pm Scoreboard. 12.25 am News and Weather for Scotland.

Northern Ireland—5.00 pm Scoreboard. 6.15 Northern Ireland News; Sport. 12.25 am News and Weather for Northern Ireland.

England—6.15 pm Saturday Spotlight (South-West only).

BBC 2

10.35 am-12.05 pm Open University.
2.05 The Sky At Night.
2.25 Saturday Cinema: "Kings Row," starring Ann Sheridan and Ronald Reagan.
4.30 International Tennis: Wightman Cup.
5.10 Did You See . . . ? the week's TV.
5.45 International Tennis (continued).
6.30 Bullseye: darts.
7.00 News and Sport.
7.15 Rugby Special: Wales v New Zealand.
8.05 Salome (with Radio 3) by Richard Strauss.
9.50 The Next President, with David Dimbleby and Gore Vidal.
11.10 News on 2.
11.15 The Old Grey Whistle Test.
11.55 Edward G. Robinson in "The Whole Town's Talking."†

BBC-2 Northern Ireland only—1.40 pm Tomorrow's World.

LONDON

8.35 am Sesame Street. 9.35 Chopper Squad. 10.30 Tiswas. 12.30 pm World of Sport: 12.35 On the Ball; 1.00 New York Marathon; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 Sandown, 1.45, 2.15 and 2.45 Newmarket; 3.10 World Series Baseball; 3.50 Half-time Soccer Roundup; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Worzel Gummidge.
5.45 Buck Rogers In The 25th Century.
6.45 Up for the Cup.
7.30 "Tarantulas: The Deadly Cargo," with Claude Akins.
9.15 Hammer House of Horror.
10.15 News.
10.30 The Big Match.
11.45 Pro Celebrity Snooker.
12.30 am Personal Choice, with Donald Swann.

All IBA Regions as London, except at the following times:

ANGLIA

9.30 am *The Beachcombers*. 9.55 Rocket Robin Hood. 10.15 Mystery Island. 10.30 pm Match of the Week. 11.30 *Paris*. 12.25 am Late Debate.

ATV

9.10 *am Positive Soccer* with Jack Charlton. 9.35 Save It. 10.00 The Adventures of Black Beauty. 10.30 pm Star Soccer. 11.45 Movie: "The Chastity Belt" with Tony Curtis.

BORDER

9.10 am Positive Soccer. 9.30 Save It. 10.00 Call it Macaroni. 10.30 pm Scotsport. 11.40 WKRP in Cincinnati.

CHANNEL

5.14 pm Puffin's Plaïice. 11.45 *Target* Bowls. 12.00 *Next Step* Beyond.

GRANADA

9.30 am Talking Bikes. 10.00 Dick Tracy. 10.05 Batman. 10.30 pm Match *Night*. 11.45 *Hollywood Thriller:* "Topper Returns."†

HTV

9.10 am Save It. 9.35 Talking Bikes. 10.00 Undersea Adventures of Captain Nemo. 10.05 Batman. 5.13 pm HTV News. 11.30 HTV Report. Sport Headlines. 11.35 Paris.

HTV Cymru/Wales—as HTV West except: 5.15 Res Sgwar.

SCOTTISH

8.15 am Talking Bikes. 9.40 Charlie's Angels. 10.30 pm Scotsport. 11.30 Late Call. 11.35 Quincy.

SOUTHERN

9 am Sesame Street. 10.00 The Adventures of Black Beauty. 11.45 pm Southern News. 11.50 Lou Grant. 12.45 am Music Speaks Louder than Words.

TYNE TEES

9 am, 9.55, 10.30, 12.15 pm Saturday Shakeup. 9.06 am BJ and the Bear. 10.05 *Roman Holiday*. 10.50 *Movie* "Birds of Prey" with David Janssen. 12.25 pm Check it out Extra. 10.30 *Shoot*. 11.40 Vegas. 12.35 Three's Company.

ULSTER

9.35 am Talking Bikes. 10.00 Bailey's Bird. 10.25 The Bubbles. 10.30 *Tarzan*. 11.20 *Cartoon Time*. 11.30 Sesame Street. 5.00 pm Sports Results. 5.13 Ulster News. 11.40 WKRP in Cincinnati. 12.10 am Bedtime.

WESTWARD

9.30 am Talking Bikes. 9.55 Look and See. 10.00 Spiderman. 10.25 Gus Honeybun's Birthdays. 12.27 am Westward News. 5.14 Westward News and Scoreline. 11.40 The West Tonight. 12.00 Next Step Beyond. 12.25 am Faith for Life. 12.30 West Country weather and shipping.

YORKSHIRE

9 am Positive Soccer. 9.25 Spiderman. 9.40 BJ and the Bear. 11.45 pm The Palace Presents.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 1.00 pm *Adrian Juste (S)*. 2.00 A King in New York (S). 2.05 Paul Gambaccini (S) including 3.00 U.S. Top 30. 4.00 Rock on Saturday (S) including 6.31 In Concert. Carl Perkins. 7.30 Close.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S) including 8.00 Racing Bulletin. 8.06 David Jacobs (S). 10.02 Steve Jones' Saturday Show (S). 1.02 pm The News Huddlines. 1.30 Sport On 2: Football Special (1.30, 2.10, 2.55, 3.45, 3.55, 4.42, 5.0, 5.50); Newmarket Racing (1.30, 2.10, 2.40, 4.50, 5.45); Wightman Cup (1.30, 2.20, 3.20, 4.55, 5.35); *Rugby Special* (1.30, 2.00, 2.50, 3.00, 4.50, 5.25) Wales v. All Blacks. 6.00 Sports Report: Soccer, Rugby, Racing. 6.03 The UK Music Game. 7.02 Beat the Record. 7.30 Big Band Special (S). 8.02 Saturday Night Is Gala Night (S): 40th Anniversary of the Battle of Britain. 9.02 Robert Farnon's Melody Fair (S). 10.02 Hilversum Greets Radio 2 (S). 11.02 Sports Desk. 11.10 Bob Kilboy (S) with The Late Show, including 12.00 News. 2.00 am You and the Night and the Music (S) with Colin Berry.

RADIO 3

8 am News. 8.05 Aubade (S) Concert: Johann Strauss (father), Fauré, Stanford, Kodály, Warlock, Debussy. 8.55 Clare's Country Characters: Poetry. 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S), Tchaikovsky. 11.00 Robert Mayer Concert (S) Children's Concert: Schubert, Elgar, Martinu, Copland, Chabrier. 12.10 pm Bandstand (S) Concert: *Dean Goffin*, Herbert Howells, Edward Gregson. 1.00 News. 1.05 Early Music Forum (S). 2.00 Play it Again (S). 5.00 Jazz Record Requests. 5.45 Critics' Forum. 6.35 Byrd's Graduals (S). 7.40 *Celia Fiennes: An Idea of England in 1698*. 8.05 Salome (S) Opera by Strauss with BBC 2). 9.50 Romantic Fiction and the Composer, talk. 10.20 The Organ Works of J. S. Bach (S). 11.00 News. 11.05 Barber (S) on record VHF only—7.35 Open University.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 From Our Own Correspondent. 12.00 pm News. 12.02 Money Box. 12.27 The Burkiss Way (S). 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Middlemarch (S), by George Eliot. 3.25 Join Radio 3. 5.00 Folktales. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs. 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S): Richard Baker. 8.30 Saturday Night Theatre (S) "Gunpowder, Treason and Plot" by A. J. Wolton. 10.00 News. 10.15 Sinbad the Sailor—report from the Oman. 11.00 Lighten our Darkness. 11.15 Unglamorous Nights. 12.00 am News. 12.15 Shipping Forecast: Inshore Waters Forecast.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News. 8.15 Weekend What's On. 8.30 Bob Powell's London Country. 10.03 Stuart Colman's Echoes. 11.30 Robbie Vincent Show. 2.00 pm Time Off, including 2.45 Sounds Good — hifi. 3.00 Join Radio 2.

London Broadcasting

7.00 am Des Fahy. 10.00 Jellybone — Tommy Boyd. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Gest Malo. 8.00 European Parliament. 9.00 Don McCullin, photographer. 10.00 Jenny Lacey Nightline. 1.00 Night Extra. 4.00 Hayes on Sunday. 4.30 Decision Makers.

Capital Radio

2.00 am Richard Allinson's Night Flight (S). 6.00 John Sachs Breakfast Show (S). 8.00 Capital Countdown with Peter Young (S). 12.00 Cash Country with Dave Cash (S). 2.00 pm Duncan Johnson's Afternoon Delight (S). 6.00 Greg Edwards's Soul Spectrum (S). 8.00 Nicky Horne's Six of the Best (S). 11.00 David Radigan's Roots Rockers (S). 1.00 am After Midnight with Richard Allinson. 4.00 Classical Music (S).

TV RATINGS

w/e Oct. 26

UK TOP TWENTY

		(viewers m)
1	To the Manor Born (BBC)	20.15
2	Coronation Street (Oct. 15) (Granada)	11.65
3	This is Your Life (Thames)	16.50
4	Coronation Street (Oct. 13) (Granada)	16.76
5	*Larry Grayson's Generation Game* (BBC)	16.55
6	The Paul Daniels Magic Show (BBC)	16.20
7	Keep It in the Family (Thames)	15.80
8	Mastermind (BBC)	15.65
9	Juliet Bravo (BBC)	15.50
10	Give Us a Clue (Thames)	15.20
11	Crossroads (Oct. 15) (ATV)	15.15
12	Play Your Cards Right (LWT)	14.75
13	Starburst (ATV)	14.50
14	Blankety Blank (BBC)	14.25
15	Crossroads (Oct. 14) (ATV)	13.15
16	Arthur C. Clarke's Mysterious World (Yorkshire)	13.10
16	The Gentle Touch (LWT)	13.10
18	Top of the Pops (BBC)	13.05
19	The UK Disco Dancing Championship 1980 (Thames)	12.65
20	The Professionals (LWT)	12.80

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 344

1 N-B5! Q-Q2 (if PxQ; 2 NxP ch, K-B1; 3 R-B1 ch mates, or if 1...R-QB2; 2 NxR, PxQ; 3 NxP ch, K-B1; 4 R-B1 ch, K-K2; 5 R-B7 mate); 2 N-B6 ch! PxN; 3 RxN ch, PxR; 4 QxP ch, K-B1; 5 QxP ch, Q-B2; 6 Q-R6 ch, K-N1; 7 Q-R8 mate. A brilliant finish by one of the leading Northern experts.

Solution to Problem No. 344

Place the white king on his KB3, the black king on his KR8, and White mates by 1 KxQ.

COLLECTING

Khnopff's eerie images

BY JANET MARSH

The strange frontispiece for Josephine Peladan's Istar—a bewildering confusion (right) and one of Khnopff's most famous pictures, a pastel of La Meduse Endormie (above).

THE BELGIAN painter Fernand Khnopff is not much remembered here today, though in the 1890s he had close ties with England, and even took part in an exhibition of "British Pastellists" in 1890. He was a member of the Society of Portrait Painters, and a regular contributor to the early issues of *The Studio*.

There is a rare chance to savour the odd eroticism of his paintings of women, in one of those ships-that-pass-in-the-night exhibitions that the auction rooms sometimes incidentally afford, when Sotheby's sell the collection of Symbolist Paintings formed by Wolf Uecker of Lausanne, on November 26. The central section of the Uecker collection is a group of 40 paintings, drawings and prints by Khnopff.

Khnopff is a secondary but intriguing figure of the Symbolist movement, which flourished in the last two decades of the nineteenth century and which now seems to represent a distinctive watershed in European art history, an odd chronological link between strands as apparently remote as Wagner, the Pre-Raphaelites, *Art Nouveau* and the Surrealists.

The Surrealists, indeed, were enthusiastically to rediscover the work of the Symbolists. In the latter's revolt against the materialistic society of their time and their quest to represent not reality but the imaginative and symbolic form of their own dreams, the Surrealists saw clear parallels to their own preoccupations.

Andre Breton, the high priest of Surrealism, traced the origins of Symbolism to the upheaval of the Franco-Prussian War of 1870. He claimed that the movement had grown out of that great political shock in the same way as Surrealism was seen as a legacy of the First World War. It is true that two artists to whose strange fantasies the Symbolists paid homage—Gustave Moreau and Puvis de Chavannes—emerged in the 1870s: while two of Chavanne's most influential early works were symbolic representations of the Siege of Paris, *"The Carrier Pigeon"* and *"The Balloon."*

The Symbolist movement proper, however, is usually dated from the 1880s. In literature, J. K. Huysmaen's decadent novel *A Rebours* appeared in 1884, and Rimbaud—who had arrived in Paris in 1870—published *Illuminations* in 1886. In the same year the poet Jean Mureas suggested the word "Symbolist" for the new tendency of the arts "to clothe the *idea* in expressive form."

The Symbolists were above all in revolt against an age of *materialism*, of industrialisation and of steam which, in the words of the symbolist writer Villiers de l'Isle Adam, "whistles and smokes to arrive at a destination in which no one believes." The twin artistic products of this age of science and machinery were, in painting, Impressionism, and in literature, Naturalism. Zola, as the great "naturalist," lauded Manet as "a modern artist, a realist, a *positivist*" but execrated Moreau for painting "his dreams, not simple, naive dreams such as we all have, but sophisticated, complicated, enigmatic dreams which are difficult to understand immediately. What value can such art have in these days?" (Zola's remarks were first published in a Russian magazine and are reprinted in Robert L. Delevoy's valuable recent study *Symbolists and Symbolism.*)

The Symbolists' inspirations included Wagner and the Pre-Raphaelites, in both of whom they found the ideal fusion of literature, music and painting. In France the symbolist atmosphere claimed above all Gaugin, Henri Fantin-Latour and the Nabis Group which included Bonnard, Vuillard and Maurice Denis. In England Whistler fell under the spell. Artists like Edward Munch and Ferdinand Hodler, working in Germany, link the movement with Expressionism; while the work of other artists, most notably Beardsley and Munch, was at the roots of the decorative spirit of *Art Nouveau*.

Khnopff, born in Eastern Flanders in 1858, belonged to the important Belgian group of symbolist artists, largely animated by the poet Emile Verbaeren, a founder of the magazine *L'Art Moderne*.

Khnopff seems, however, to have stood rather apart from any group: he was considered by his contemporaries retiring and aloof — even haughty. His images, write M. Delevoy, "give priority to an apparition, a female apparition, an extra-terrestrial image in that it overflowed the area in which it belonged, was defined, gave itself . . . Woman as represented by Khnopff . . . was created so that she was simultaneously near to and far from the scrutiny . . . always and simultaneously vague and precise."

The mouths of Khnopff's women are sensual but firm; when their eyes are not veiled by luxuriant lashes, they gaze out in steady challenge. The Uecker Collection includes one of Khnopff's most famous pictures, an eerie pastel of *La Meduse Endormie*. Stranger still is his frontispiece for Josephine Peladan's *Istar* — a bewildering confusion of a woman's body and mysterious serpentine forms which seem either to grapple her or to pour like entrails from her body; and in their turn entwine a death-mask head gaping in the lower part of the composition. These two small drawings are respectively expected to realise above £20,000 and £5,000.

RACING

DOMINIC WIGAN

DESPITE THE presence of the Irish Sweeps Autumn Handicap on today's Newmarket card which also sees three successive two-year-old events and a further one at the end of the programme the most absorbing sport to an impartial observer is probably Sandown's National Hunt offering. There the card boasts the Holsten Diat Pils Hurdle.

It was in the Holsten race that Sea Pigeon achieved his first success of the 1979-80 campaign. However, it was a very different affair to today's renewal. Whereas Sea Pigeon's presence frightened away all but Caper's Lad a year ago, today's running sees him opposed by eight including Celtic Ryde. Nevertheless I do not see him being beaten for his superiority to the locally trained Celtic Ryde looked sufficiently overwhelming on their overall form last term to suggest that a ten pound concession will prove surmountable.

The even money gelding, Siberian Sun, who invariably runs best when fresh, had his old rival behind in second place when winning at Ascot and Newbury last autumn; while Artifice turned the tables in no uncertain style on their third meeting in the Tingle Creek here. Although Artifice clearly appreciates this course and its surprisingly formidable fences Siberian Sun's overall form in the early part of last season suggests that he will gain compensation for his luckless experience at Ascot.

While Beacon Light is bidding to get off the mark at Sandown his owner, Mr. Jim Joel, could well be enjoying events at Newmarket. There his newcomer, Brave Hussar will not be disgraced.

NEWMARKET

1.15—Protection Racket
1.45—Melodrama
2.15—Scarlet Town*
2.45—Galveston***
4.15—Brave Hussar**

SANDOWN

1.30—Siberian Sun
2.00—Sea Pigeon
3.30—Tuthill Bond

FASHION

It's the little details that count

BY LUCIA VAN DER POST

IF YOU'LL forgive me starting this week with a hoary old cliche, the one about every cloud having a silver lining, I'd like to apply it to the current state of the fashion industry. The black cloud needs no explanation—it's the hideous price tag that attaches itself to most of the clothes, or at any rate the desirable ones, in the shops.

The silver lining may be less obvious but it is this—that in order to be comfortable and look right up to the minute you don't need to go out and spend a great deal of money by buying it all new. If you are short of money but have an eye and a willingness to spend a little time and thought, you can dig out many items from your existing wardrobe and with the help of a few key new accessories put them together in a way that makes them look very 1980.

Fashion doesn't have to be about rushing out and buying a whole new outfit, it can be a lot more fun trying to work out different ways of wearing and putting together the things you've already got.

If you've got very little to spend this year, spend it on footwear. Boots should be ankle-length and heels should be low (personally, I'm finding this very difficult, as I share with Molly Parkin a fetish about my height and am almost never to be seen in anything lower than about 3-ins). Low pumps, *brogues* or *moccasins* should be worn with ribbed tights, preferably in dark or matching colours. Once you have these you can dig out some of your knitted dresses (if they're too long, find a matching belt and hitch them up to make them look shorter) and you'd be surprised at how much more up-to-the-minute they will look.

If you were so silly as to throw away your sweater dresses you're in luck because Marks and Spencer is doing some wonderfully soft polo-necked sweater dresses in wool and angora for £25 and, cheaper still, Warehouse shops have an incredible selection of sweater-dresses in soft wool and lovely colours in round neck, v-neck and shirt-neck styles at £12.99 each. Warehouse's colours are burgundy, airforce blue, khaki, rust, lemon, navy and pale green and you can order by mail (£1.50 extra) from Warehouse, 62-68, St. John's Street, London, EC1.

Jeffrey Rogers has brought out some sweater-dresses with the fashionable snowflake design and the tighter ribbing at the hem for only £13.99. In red, navy or black with white they are widely available all over the country but especially at Chelsea Girl, Snob and Harrods, Way In.

Don't automatically assume that you're too old/fat/thin/tall/short for the new sweater-dresses. Until you try them on you can't be sure and they are certainly the quickest and cheapest way of adding a little fun to your wardrobe this winter requiring no accessorising beyond the ribbed tights and low-heeled shoes or boots. Take the trouble to try them on with the right bits and pieces. Also experiment with different ways of wearing them—for instance with or without a belt.

Many people feel that a new winter coat is a "must." Now I know the manufacturers and retailers aren't going to like this but this year it isn't essential for the look (if you feel the cold, it's another matter). If you've got a tweed jacket somewhere in your wardrobe that is cut nice and straight and doesn't have too many bust or waist darts bring it out and wear it with a tartan muffler or one of Benetton's lovely soft scarves, some well-cut trousers and a classic sweater (if you don't have one in your own wardrobe try your husband's or your son's). If you do feel the cold the chainstores have all done a marvellous job in producing their own very inexpensive versions of the duvet coat —they are wonderfully warm, are often reversible so that you get two colourways for the price of one (Marks and Spencer and C and A each have a version of their own at £27.50 and £25.39 respectively).

A good way to spend the weekend (should you have some idle hours) is to lay out everything you own and try and work out new ways of putting it all together.

Drawings by Celia Baker

The current look is relaxed and casual and one of the easiest ways to put it all together from scratch is to visit one of the two Benetton shops in this country—at 23 Brompton Road, London, SW1 or 6 South Molton Street, London W1. It isn't by any means the most comfortable shop in the world to shop in, the changing cubicles are small, there always seem to be long queues outside them and the staff are not, to put it mildly, very helpful. But the merchandise is a winner. There are rows and rows of exactly matched sweaters, cardigans, skirts, scarves, gloves and dresses and there are nicely tailored trousers and jackets in colours that work together. There are good shirts and patterned waist-coats—in fact all the separate bits you need to make up today's look and everything comes at prices that are not expensive by today's standards.

In the drawings I've used a selection from Benetton's current stock to show how the casual look can be put together but, of course, you don't have to buy it all. Many of you may already have the right trousers or a sporty jacket, or a Fair Isle waistcoat.

On the left are smartly-cut grey flannel trousers in 70 per cent wool, 25 per cent polyester, 5 per cent other fibres that cost £19.90 for sizes 10 to 16. Worn with them is a blue and white striped cotton shirt in pure cotton at £11.50, a dog-tooth checked jacket in 85 per cent wool, 15 per cent polyester for £45.60 and a pale blue long scarf (£7.60) and gloves (£3.90).

On the right is a countrified version of the casual look. Toffee-coloured corduroy trousers (£19.90) are teamed with pure silk round-necked shirt (£21.90), a patterned sleeveless cardigan in shades of beiges and rusts (£19.40) and a herringbone brown tweedjacket (£47.90).

For out-of-London readers I'm afraid Benetton doesn't run a mail-order service but they are opening another five stores in Britain next year.

Jan Wheeler

The right footwear can do more to up-date an outfit than almost anything else. If you are slim enough or tall enough moccasins are this year's shoe but for those who like a heel of some sort Marks & Spencer is doing a very useful brogue (drawn far left)—wear it with ribbed tights or Argyle socks. In two shades of brown, tan or dark brown, with leather uppers, they are £15.99 a pair.

Never have boots come in such amazing colours—most desirable boots seen last week were baby pink worn with a grey coat, thick ribbed grey tights, and a baby pink sweater dress. Sacha branches have some flat soft suede cuffed ankle boots (drawn second from left) that come in blue, red, grape, pink, burgundy, black for £35.

Right, adorable nearly flat-heeled suede ankle boots by Bally. In beige or brown suede they are £59.50 a pair and are available from most Bally shops including those in New Bond Street and Sloane Street in London.

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Saturday November 1 1980

Getting back on track

DURING THE past week the Government has come under unprecedented pressure to abandon its central strategies. The forbidding results of the latest *CBI survey* of British industry have lent statistical confirmation to the feeling of doom which many Conservative MPs *have brought* back from their constituencies. The Chancellor's stonewalling performance in the unemployment debate did nothing to restore their morale.

Oil prices

Events in the outside world seem to conspire to stretch the nerves of Government supporters still further. The Middle East war and the possibility of a still further oil price rise have tended to drive sterling and the dollar up against all other currencies, and sterling against the dollar, *in spite* of rising dollar interest rates.

In face of all this the Government has stuck doggedly to the *line that* since *the policy* is beginning to work, it would be folly to abandon it (and would no doubt add privately that the revival of militancy at British Leyland at the first faint whiff of commercial recovery shows how much remains to be done). In one sense, this is true. Inflation is slowing down, managements are making enormous efforts to secure improved efficiency, the wage outlook is relatively *encouraging* in spite of the Longbridge vote, and there remains reason to hope that the leaner economy which survives the recession will in some senses be a healthier one.

However, in another sense Government *strategy* is not working at all. We are getting the results predicted to follow *from* monetary restraint and Government economy at a time when the money supply has been *growing* at twice the target rates and Government spending appears to be out of *control*.

This *contradiction* between the Government's apparent success in making deflation *work*, and its total *failure* to achieve its stated monetary and fiscal objectives, is at the heart of the present policy dilemma. The Prime Minister remains determined to achieve her objectives, on which the whole credibility of the Government has been staked, while a growing number of her supporters *argue* that the real *economy* can take no more punishment, and urgently needs relief.

These difficulties arise partly *from* outright *failures*—most notably the failure to impose any control on costs in the *public* sector—and partly oversimplifications and technical problems. The really urgent task before the Government in its *present policy* review is not simply to review spending or get control of costs, though these are important objectives in their own right, but to restore coherence to its strategy.

Public spending

So far as fiscal policy is concerned, it does appear that Ministers have got past the stage of a simple-minded obsession with the size of the public sector borrowing requirement in money terms. The control of the size and cost of the public sector is *essential* to long-term Conservative strategy, but has only a very limited part to play in the tactics of meeting the present *crisis*.

In a depressed economy, any reduction in public spending—*even reductions* in *pay* rates or transfer payments—have powerful offsets in terms of lost tax *revenue* and a *further decline* in activity, as well as in *many* cases redundancy and unemployment payments. The net effect on borrowing is therefore small. As Ministers are *beginning to realise*, the only quick way to cut borrowing, if that is indeed necessary, is to raise *finance* through higher taxes instead. Here there are still leakages, but they are smaller

Whether it is in fact necessary to reduce the PSBR rather than simply to get public sector costs under control is essentially a monetary judgment. Normally a rise in public borrowing and a fall in private credit demand is a natural consequence of a recession: but its appearance is delayed during the period when industry is still struggling to *liquidate* excessive *stocks* and to finance redundancies, when total borrowing tends to rise. The Government *should, therefore*, be seeking better measures of underlying trends than can be derived from a single monetary statistic, and one which is at the moment widely regarded as distorted.

This review may well show that the present overshoot in the PSBR is largely cyclical, and that monetary trends *may shortly* be expected to improve. Further account must be taken of the technical problems which have already been partly recognised—notably the urgent need to unblock the central capital markets by new methods of funding. When all the factors are weighed, the Government may well feel that clear evidence of the fall in private credit demand now widely discussed in the City will be cause enough to show that an easing of interest rates is consistent with its *strategy*.

What would be wrong would be to allow external pressures—largely independent of monetary conditions—to force a change in monetary policy unconnected with the other elements of Government strategy. That might undermine the whole future which the *Government* must hope to secure in the most urgent policy review since it took office.

Anatole Kaletsky looks at the Keynesian counter-arguments

The alternative to monetarism

"WE KEYNESIANS have to keep our heads down for another year or so — until the failure of Government policies is complete and obvious to all." These words, spoken with more *melancholy than* bitterness by a senior economic adviser to the last three British Governments, typify the attitude of many of Britain's *most distinguished* professional economists to Mrs. Thatcher's "economic strategy."

Of course, the anxieties of a few establishment academics, many of whom were involved in "getting us into this mess in the first place," are unlikely to cut much ice with a self-confident and radical government like *Mrs. Thatcher's*, particularly during *its first* few years in office.

Nor is it surprising that the public generally seems unconcerned about the way that Mrs. Thatcher's return to "sound" economic principles and her *rejection* of *pragmatism in* favour of theory have been repudiated by large numbers of professional economists, including dyed-in-the-wool conservatives.

The old jibe that, wherever *you* find two economists, you get four opinions seems to ex-

> 'The economy ran for 25 years rather successfully without anyone noticing the money supply figures.'
> *Frank Blackaby, National Institute of Economic and Social Research*

press what the public thinks about economists today: they are people who never tire of arguing among themselves about the *esoterica* of money-supply *figures*, rational expectations or public sector borrowing requirements, while the country sinks ever deeper into its worst recession since the 1930s.

In point of fact, however, the views of the economics profession have rarely been as sharply defined as they are today around just two opposing schools of thought. Contrary to widely held belief, there is a clear set of alternative policies *to monetarism. And this* alternative has at least as much intellectual coherence and empirical support as the doctrines of Mrs. Thatcher and Professor Milton Friedman.

When Mrs. Thatcher says "I *know of no alternative* to the economic policies which the Government is pursuing"—which she likes to do as frequently as possible—she is, in the view of many economists, simply making an embarrassing *confession of her ignorance*.

The Keynesian alternative rests now, as it did in 1936, when John *Maynard* Keynes published his General Theory of Employment, Interest and Money, on one fundamental assumption: that market mechanisms, on their own, may be unable to ensure that a modern capitalist economy operates continuously at or near its full capacity.

Keynesians believe that it is possible for an economy to get stuck in a depression, with a *low level* of output, *wasting* a large part of the country's supply of labour and productive capital. They also believe that there are *specific* measures which the Government, and the Government alone, can take to pull the economy out of such a recession.

The main action which the Government must take when the economy is in a recession, is to "reflate demand" by cutting taxes or increasing public spending. This, according to simple Keynesian theory, would *improve profits by* allowing firms to use more of their surplus capacity and lead to an increase in private investment.

After the full effects of the Government's "pump-priming" have worked their way through the economy, output, employment and tax revenues will have increased sufficiently to pay for the increases in public spending or the *tax cuts* which *started* the recovery, provided these have been carefully judged in *timing* and size.

Once the economy is out of recession, it can be kept at or near a steady growth path by means of "*fiscal fine-tuning*," a term which is nowadays used pejoratively, but was at one time regarded as an indication of the progress which had been made by "economic science" since the Keynesian Revolution. Obviously, the *precise* details of the Keynesian theory and its practical application are infinitely more complex than this. The effects of demand management on exports and imports have, in the past, been regarded as the main complication. It was usually a balance-of-payments crisis that aborted rapid economic growth in the 1960s.

Today, it is the financial aspects of the Keynesian prescription that attract most critical attention. The question of whether the money for the initial pump-priming is created by the banking system (thus boosting the money supply) or borrowed from *long-term* investors by issues of government bonds is accorded paramount importance. This *is sometimes* what the debate between monetarists and Keynesians appears to be all about.

But the highly technical arguments about the relationships between government borrowing, monetary growth, inflation and output are, in a sense, a distraction from the real issues which

> 'There will be a wage explosion after this squeeze, just like the explosions that have followed other incomes policies.'
> *Frank Blackaby, National Institute of Economic and Social Research*

have created the almost unbridgeable theoretical gulf that now exists between the Government's *policy advisers* and the Keynesian establishment.

It is only by making one's mind up about this basic issue—and, *as we shall see*, when all is said and done, this is a question on which the layman's view *is probably* as valid as the expert's—that it becomes possible to decipher the policy disputes which are engaging the Government now and which, if the Keynesians are right, could soon reach a point of crisis.

The basic difference between Keynesians and monetarists, or "market economists" as they often prefer to be described, is that market economists believe that market forces, *left* to themselves, will always, within a tolerably short period, bring an *economy back* to full employ-

> 'Four years of low demand, poor competitive power and low profits will leave a poor physical legacy for the post-transition world of 1984.'
> *Robin Matthews, Emeritus Professor of Economics, Oxford*

ment and output after it has *suffered* a *temporary* shock. Alternatively, market economists may *define* full employment *as* that level which untrammelled market forces produce.

It is only because they assume that there is no spare capacity which can be brought into production without creating inflation, that market economists tend to believe, for example, that higher government borrowing will automatically "crowd out" private investment, or that the rise in North Sea oil production must inevitably lead to a decline *in manufacturing* employment and output.

If this "natural rate of unemployment" happens to leave many potential workers jobless, machines idle and economic output substantially below what it would be if the country's resources were employed fully, then the explanation must be *sought* in breakdowns of *market* mechanisms. And the problem can *only* be solved by improving competition in those markets which are found to be "imperfect." The labour market is blamed first and foremost.

Keynesians, by contrast, believe that employment and output can be increased even while competition remains imperfect. Indeed, markets will *never* be *perfect*, not just because of "bully boys" in the trade unions but, more important, because of uncertainty about the future. This, in a depression, will prevent enterprises using for investment purposes all the savings that are available in the economy. Unless the Government does some pump *priming*, the economy will not pull itself up by its own boot-straps—or will only do so after an intolerably long adjustment period in which wages, living standards, employment and industrial production collapse *needlessly*.

The contrast in the attitudes of Keynesians and monetarists to the efficacy of market forces constitutes the fundamental disagreement from which all their other differences spring.

The latter's faith in monetary control rests on the much more important belief that all efforts by governments to influence the level of employment and output are doomed to failure. It is only by *assuming* that attempts to *stimulate* demand will leave output unaffected that monetarists *arrive* at the conclusion that increases in money supply will in the end simply produce more *inflation*.

This assumption that the economy is automatically self-

> 'If I were trying to forecast British inflation, the one thing I would not look at is the money supply.'
> *Frank Hahn, Professor of Mathematical Economics, Cambridge*

stabilising is the most important, but also the weakest, link in the monetarist prescription. In terms of pure economic theory, it *is unjustified*.

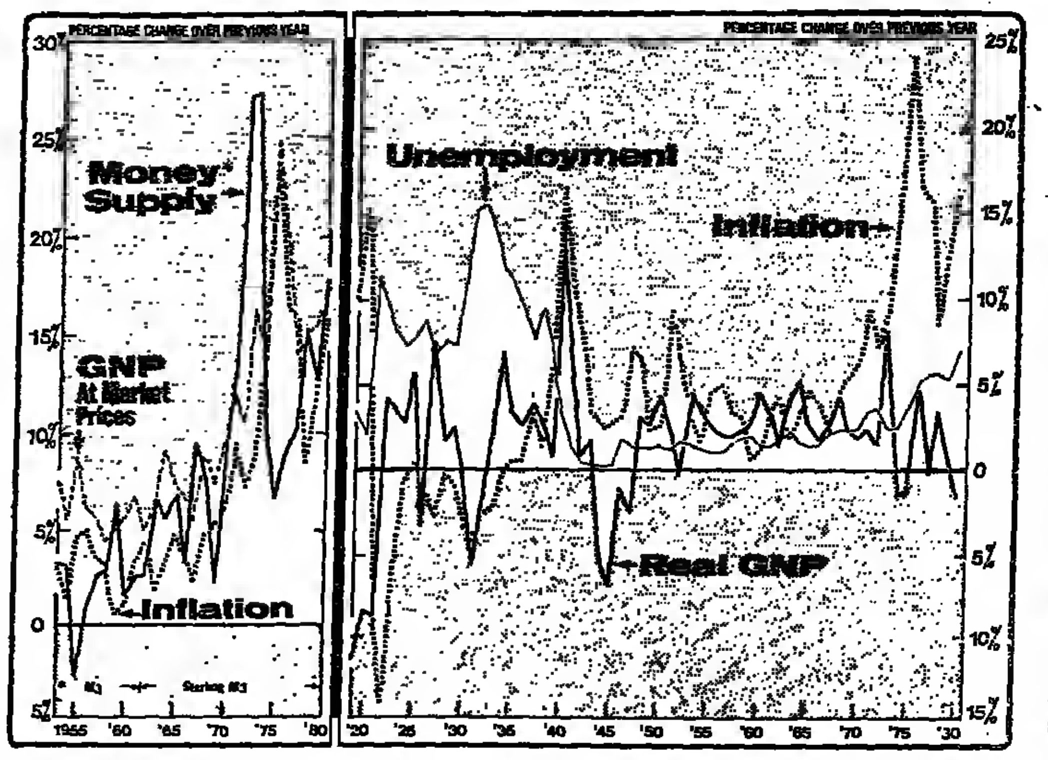
As Professor Frank Hahn, co-author of the standard treatise on the mathematical properties of the classical free market model of the economy says, "the gaping hole in the Government's story is that it provides no explanation of how or why non-*inflationary* growth *will resume* after the present recession." Having spent his working life *proving* mathematically that a market economy can be self-stabilising, he is well aware of the extremely *stringent* assumptions about the behaviour of markets and individuals this

> 'I am and always have been non-political—all I want is to create the conditions for higher industrial profits and a return to economic growth.'
> *Wynne Godley, Director, Dept. of Applied Economics, Cambridge*

requires. These assumptions are simply not satisfied in the real world.

Looking at the statistics on the British and other economies in the past few decades produces more ambivalent results. There are legions of econometricians on both sides of the divide who are able to establish "significant" statistical relationships to uphold either the Keynesian or the monetarist point of view.

What can be stated unequivocally—and this seems to carry much greater weight with politicians and the public than abstruse theorising or analysis *of* statistics—is that broadly Keynesian policies produced disastrous results in Britain during the mid-1970s. But this "common-sense" refutation of Keynesian policies is one-sided and incomplete. For it can be added even more emphatically that the period between 1948 and 1968, when Keynesian policies held total sway over economic managers in Britain, the United States and most other countries, was probably the most triumphantly successful economic "experiment" in *history*.



Bob Hutchison

With such an impressive record behind them, why then have the Keynesians been cast out into the political wilderness in recent years? The reason, most of them are now convinced, is simple—pay.

Keynesian economics provides no simple solutions to the problem of inflation if this is caused not by excess demand, but by cost pressures, such as oil price increase or, even more importantly, demands for higher pay. *Keynesians* do not regard this as a particularly damning criticism of their position in relation to that of the monetarists since many of them consider that monetarism does not have any answers to this problem either.

The Government's apparent success in using monetary policy to damp down inflation in the past few months has, according to them, *nothing to do with* adherence to monetary targets (which in any case have been *wildly exceeded*), but is simply the consequence of deep recession and mass unemployment.

Keynesians are not too *conscience-stricken* by *their* failure to suggest cures for cost-push inflation because many of them *believe* that, at root, *inflation* is a political, not an economic problem. Thus, Mr. Frank Blackaby, deputy director of the National Institute of Economic and Social Research (which was, in the heyday of Keynesianism, Britain's *most* influential economic institution) thinks that "there will never be an intellectual revolution *on the* problem of inflation such as the one led by Keynes on demand management." *For the causes* of cost-push inflation—trade unions, cartels and monopolies—are already well understood, but there are political reasons why they cannot, and in many cases, should not be eliminated or even weakened.

It is typical of the differences between Keynesians and market economists that Mr. Blackaby concludes from this observation that the best way of preventing inflation is to superimpose a political structure on *top of the* labour market, so as to override the market's imperfections. Most Keynesians would now agree that some form of incomes policy is indispensable for *successful* management of the economy.

Market economists believe that artificial structures will only *create "distortions"* and will eventually collapse. Thus, if the labour market is imperfect because of the existence of trade unions, either these have to be weakened, or we have to learn to live with a high level of unemployment.

Should politicians, trade unionists and industrialists co-operate on wages and demand management to try to over-ride the workings of market forces if these are failing to produce the prosperity which is everybody's ultimate objective? If the Keynesians are right, then this question, which has been suppressed by the present fashion for market economics, will soon regain its place at the top of the political agenda.

The chart on this page yesterday on the movement of gold should have shown $840m moving from Basle to Tehran, and not from Basle to Baghdad as indicated.

Letters to the Editor

Money

From Mr. R. Rudd

Sir,—Several points arise out of your articles on modern portfolio theory in your supplement on fund Management (Oct. 22).

MPT is not a way of running money *but a tool* which leaves the manager just as responsible for making judgments as he was *before* he had ever heard of MPT. MPT merely assists him in clarifying his judgments and in avoiding the "slippage" between his judgments and his actual performance. There is no necessary connection between MPT and the desirability or otherwise of running an indexed fund. It is true as your correspondent states that close examination (usually carried out with the aid of the techniques of MPT) of individual funds and their management has shown that many of them have been and still are "closet indexed" funds; in other words they resemble this or that index *pretty closely*. Quite often *this* has come as a surprise to both the manager and the owner of the money concerned.

If the object of the manager is indeed to run an indexed fund then MPT will certainly help him to do so cheaply and effectively but it *is just as* much a tool for the active manager as it is for the passive. This point *is* perhaps *the most* frequently *misunderstood* of all concerning MPT.

There is no real question of MPT "taking over" money management *either* in the U.S. or in the UK. It is however, the case that managers on both sides of the Atlantic are being influenced increasingly by the concepts and the practices of MPT. Their reactions differ. Some recoil with horror. Others reject the whole thing on grounds of either principle or prejudice. Yet others, having initially rejected it, find themselves influenced by it. There are all shades of reaction through to those who decide to make whatever use they can of the techniques evolved. Of the latter some even take the plunge and use the methods on an interactive basis, enabling them to judge the risk profiles of the money under their management on a day to day basis. Our experience is, judging not merely by the number but by the size of the institutions availing themselves of MPT techniques, is that the process *is gathering* pace.

R. A. W. Rudd.
Rowe Rudd & Co.,
63, London Wall, EC2.

Accounting

From Mr. M. Greener.

Sir, — Mr. Whiting's letter (October 24) merits more attention within the accounting profession that it is likely to receive. The reason being that the very valid points he makes have often been advanced in other guises over the past decade or so and have always fallen on ears that seem to prefer not to hear.

In the matter of the many *problems necessarily* attending any reasonable calculation of return on capital, the only tenable assertion must be that current cost *accounting* principles have made an elusive concept now virtually impossible to *either* define or *quantify*. It might be argued that, in this light, any search for correct absolute figures should be abandoned *as* time-wasting and that what should be sought are ratios which, though incorrect, are valid for inter-industry comparisons.

To this end may I suggest that more useful and reliable *figures* would be obtained if the denominator in the fraction, ie, capital, were to be stated on the basis of asset cost, historic or current equivalent, before and not after *depreciation*. The arguments in favour of this approach are formidable, but space *prevents* them being stated there. Two points, however, that might serve as starting blocks for thought can be *put forward* briefly. Most plant and machinery usefully employed does not lose its productive potential in line with any normal depreciation system and, in any event, reduced efficiency is already reflected in rising *maintenance* costs. The annual amounts steadily set aside, and accumulated, by way of depreciation, create a cash flow within industry and a fund of quasi-capital which should itself be earning a return.

Michael Greener.
9, Rundilly Park, Barry, S. Glam.

Fashion

From Mr. R. Sykes

Sir,—Max Wilkinson (October 25) made reference to Lord Thomson's "slightly old fashioned sense of what is decent, honourable and fair." May I suggest that, if such a sense must *be* considered subject to fashion, the day it becomes totally old fashioned will also be the day the ravens flee the Tower of London.

Richard Sykes.
Roonstrasse 44,
5 Köln 1,
W. Germany

Municipalisation

From Philippa Toomey

Sir,—I was interested to read (October 28) the piece on the housing problems of Islington. My own case might illustrate, in a small way, why the whole of the rate income services debt charges. In 1965 I bought a small terrace house in Islington, and brought it up to the standard required, which included re-wiring, installing central heating, a hot water *system*, a bathroom, an indoor lavatory, extensive work on the roof and complete decoration. At a later stage a fitted kitchen was added to the back of the house. It was, to use the cant phrase, thoroughly "gentrified." I lived there very happily until 1974 when I got an intimation from the council that it wished to purchase my house "by agreement"—a preliminary to compulsory *purchase* if you do not agree.

The council paid me £13,250 for the house and all the carpets, *fittings* and *fixtures*. *During* the first year, my former neighbours tell me, it installed a *series of tenants*. For the next four years the building was "tinned up"—i.e. corrugated iron was placed over broken windows (so that it could not be occupied) and the house was left to rot. No rent or rates were paid.

It is only now, some *five years* later, that the house has been totally renovated, and every *single fixture* and *fitting of mine* removed, including the fitted kitchen, which has been swept away, leaving the house smaller than it was before. My own rough estimate would be that approximately £25,000 has been involved in re-modernising a house that I was happy to live in, and from which I saw no reason to move. If my house were the only one, it would be bad enough: but it is one in a row of 22, several of which had already been renovated to a high standard, and all of which are now *being* re-modernised. The results of Islington's attempts to "municipalise" the housing in the borough are only too plain to see.

Philippa M. Toomey.
4, Ardleigh Road,
N.1.

MGs

From Mr. K. Jenkins

Sir,—I would like to comment on the report by John Griffiths on October 25 regarding the closing of the MG factory at Abingdon. He says that "the cars were produced at an antiquated labour intensive plant." Surely the success of MG over 50 years was due in part to the quality which MG represented and which involved an element of *individual skills*. One does not read that Morgan, another successful sports car manufacturer, also largely hand built, has any problem *selling* its production.

I would suggest that the lack of model policy, a management decision, which kept a car in production with *little change* for 17 years, is to blame for this unfortunate demise. During those 17 years the group was very happy to reap the profits which MG produced. To talk now of putting the badge on a Triumph based car is with respect repeating past mistakes.

We have witnessed in the past few weeks the disappearance of Consett and MG and a threat to the QE2 and The Times. Without wishing to introduce *too* much sentiment, how many more famous names on which we built our *success* are we prepared to sacrifice?

K. W. Jenkins.
63, St. George's Road West,
Bromley, Kent.

Comparability

From Mr. W. Hughes

Sir,—I think that you confuse the issues when you talk about fairness in your leader of October 28 on the Government's wish to abandon comparability with the private sector in determining civil servants' pay.

The *justification* for comparability surely has nothing to do with what is fair; it is simply that comparability provides *a* rational method of indirectly reflecting the market in an area where *the market cannot* operate because the employer does not sell his products and *so* escapes the constraint of having to pay his way and make a profit. Comparability does not apply in parts of the public *sector* (*such as the nationalised* industries) where market forces can operate directly.

One can understand why the Government should want to abandon comparability if they believe that they can thereby save money. But this belief, if correct, raises some puzzling questions. How is it that the Government can manage to get *its work* done *while* paying its employees some 18 or 20 per cent less than private employers pay for similar work? Have the private employers *something* to learn here from the Government? And if it is true, as politicians and the Press constantly tell us, that it is *public* sector wages which are setting the pace and driving up those which private firms have to pay, why is pay in the private sector apparently so much higher than in the Civil Service? If Ministers really believed what they say, they would surely be eager to stick to comparability as a way of keeping public service pay down.

I hope you will agree that there is room for a *great* deal more unprejudiced examination of the facts and reasoned discussion before it is concluded that comparability will not do.

William Hughes.
250, Trinity Road, S.W.18.

Businesses

From Mr. K. Morritt.

Sir,—*I have* read Mr. Jarret's letter (October 28) three times and find it to be a very good example of the sort of meaningless jargon that continuously parades itself under this heading. Yet I am sure that he and his department are well meaning.

Being a "small businessman" I have not the time to cover all the topics he has touched upon but at this time I will give, for what it is worth, *my opinion* on SB tax concessions. The last thing that worries a SB is taxation on *profits* because with present allowances on stock plus the ability to write off capital *purchases* he has no need to pay any.

Come the time when his upward thrust gives way to a *desire* to sit back and live like a fat cat then he will find himself paying tax just like the rest of the community. So what's wrong with that?

The tax reform I pressed on Ted Heath, when he held the reins, was that all businesses *should* be able to get a cash rebate of tax (that they had paid) if their business subsequently made a loss. *His* advisors told him that it would cause too many complications but, and somewhat ironically, during my *spell* in big *business* in the U.S. we got a $6m tax rebate from U.S. Revenue by return of post after announcing a *substantial* loss.

It is unfortunate that horse sense is not the currency of SB debate but if anybody seriously wants to get out a *meaningful* charter then I would be happy to make a contribution.

K. P. Morritt,
Woodside Works,
Stow Road (A436),
Nr. Andoversford,
Cheltenham, Glos.

Ian Davidson, Foreign Affairs Editor, examines U.S. foreign policy thinking

Going backwards into the 1980s

"It's hard to see anything very good in the 1980s."

"Is the only answer to take over the OPEC countries? Fixing these problems is too difficult this side of a calamity. . . . Our political leaders are probably least able to deal with international economic problems."

"It's startling not to see any internationally-co-ordinated economic initiatives."

"Maybe the OPEC countries are only a clumsy surrogate for the hidden hand of Adam Smith; but in this case, the hand has got us where it hurts."

"No one ever decreed that everything would turn out all right in the end."

"Perhaps those countries in the Gulf are doomed to collapse; but maybe they will collapse more slowly if we have an American presence there."

THESE QUOTATIONS come from six Americans, four working in very senior posts in the Carter Administration, two previously employed at an equally high level in Government. They are part of the gleanings of 10 days spent in Washington and New York, when I tried to discover what opinion and policy makers in the American foreign-policy establishment are really thinking about the medium-term outlook.

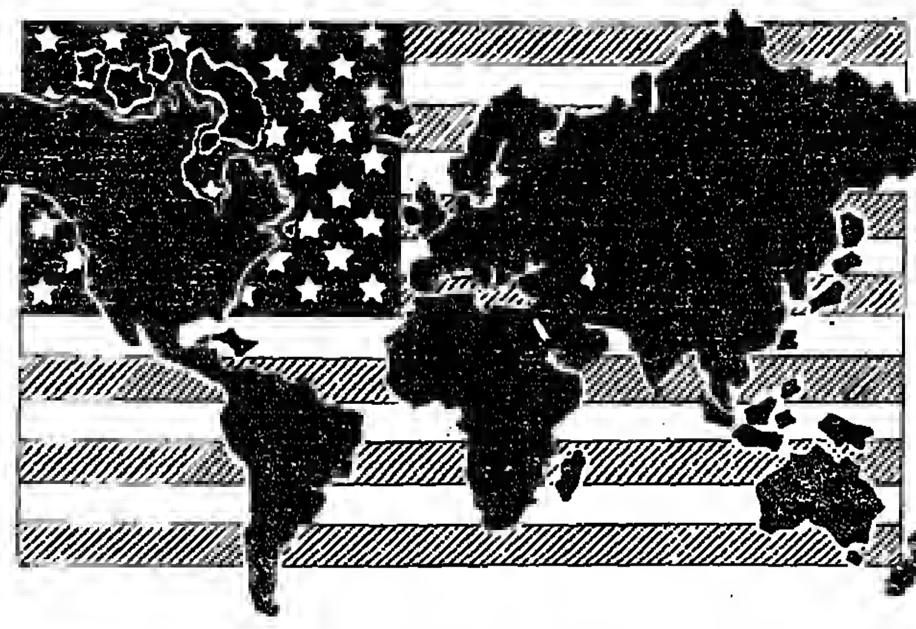
The first impression that emerged from these conversations is that it has become much more difficult for America to formulate a coherent set of foreign policy notions. It is common ground that the mood of the American people is now one of "robust nationalism," and that it is likely to last for a considerable time: "The Russians have been pushing us around for too long—in Angola, in Ethiopia, in Afghanistan. We have emerged from the post-Vietnam, post-Watergate paralysis."

But when you look at the foreign policy recipes which might be designed to cater for this mood of robust nationalism, you would be hard put to it to discern much clarity, let alone much hope that they will work.

Inevitably, since it is election time, much of the conversation of these present and former public servants reflects the campaign rhetoric of President Carter and Governor Reagan, with heavy emphasis on how to stand up to the Russians, especially in the Third World. But these exercises in verbal *realpolitik shimmer* with the mirror images of illusion and disillusion, with the illusion being served up to the electorate, and the disillusion reserved for private conversation with the visiting innocent-abroad.

Take the following formulation of America's foreign policy priorities, which comes from the top of the Carter White House: "First we must create in West Asia and the Gulf a framework of stability to prevent turmoil or domination by an outside power. Second, we must contain Soviet expansionism, with some accommodation on arms control. Third we must revitalise a sense of the common direction of the Alliance beyond the NATO framework."

The trouble is that while these may be laudable aspirations, it is hard to elicit any clear sense as to how they are to be achieved in practice. The Iranian revolution, the Mecca siege, and the Iran-Iraq war, all make it very difficult for the U.S. to *create* a framework of stability: on the contrary, the American foreign policy establishment is now acutely aware that indigenous instability is



likely to be a permanent factor in many Third World countries, especially in the Middle East.

Moreover, while it might be nice to "revitalise a sense of the common direction of the Alliance beyond the NATO framework," most foreign policy specialists are aware that this formulation is merely wishful thinking: the real prospect, as they see it, is one of tension between Europe and the United States over American foreign policy.

The underlying problem here is the conflict between the public mood of robust nationalism, which requires the candidates to emphasise America's strength and its vocation for action in the international arena, and the uneasy sense that the world is more complex and intractable than it used to seem, and that brisk American interventionism is as likely to make matters worse as to make them better.

Sending *AWACs* radar aircraft to Saudi Arabia and moving ships to the Indian Ocean after the outbreak of the Iran-Iraq war was good electioneering. But the stress on the European-American dimension of American foreign policy in the Middle East reflects the growing awareness that the web of problems out there is far too complicated to be handled with the simplicities of military might, while more indirect approaches *imply* much closer co-operation with the European allies.

Dr. Henry Kissinger did his best to relegate the European countries to a regional role in Europe, but that phase is now past. President Carter wants the co-operation of the Europeans outside Europe, and it is virtually certain that Mr. Reagan would have to follow a similar line. The trouble is that the very phrase "burden-sharing" implies that America expects and will expect the Europeans to fall *in* behind American leadership.

Even among those who are consciously aware of the complexities of the problem, there would seem to be a strong residual sense that the U.S. is living up to its responsibilities by at least trying to exercise a police function in the Gulf, but that the European countries, though much more dependent on Gulf oil than America, are getting off lightly by taking a low profile and cultivating detente.

This is not to suggest that American opinion is monolithic on this theme, far from it. At one extreme there is Ronald Reagan, who seems barely conscious of any complexities and talks as if he would use Israel as a U.S. landing strip from which *to* fight communism in the Middle East.

At the other end of the spectrum lies the emerging neo-isolationist school. This rests on an invocation of a long tradition in U.S. foreign policy, and *was* epitomised by a recent article by Earl Ravenal in the periodical Foreign Policy, entitled "Doing Nothing." It concludes with that touchstone quotation from John Quincy Adams, Secretary of State, in 1821: "America goes not abroad in search of monsters to destroy. She is a well-wisher to the freedom and independence of all. She is the champion and vindicator only of her own."

But those in the middle ground of the foreign policy establishment are still struggling with variants of the old ingredients: American military strength is so great that it must be deployable in the service of foreign policy aims; America must be deeply involved in the Middle East because so many Middle Eastern countries (not to mention the American people) expect it to be involved; American economic and military aid can be used to buy influence.

There is profound disillusion with the apparent deadlock in the Israel-Egypt West Bank autonomy talks, and widespread awareness that it complicates America's position in the rest of the Middle East. But apart from the hope that Labour will win next year's Israeli elections and conceivably prove more accommodating, there are few ideas on how to break the stalemate.

"At the moment this is the only game in town and, after all, we haven't heard any alternative proposals," says one practitioner in the National Security Council. "So far," says one of his colleagues in the State Department, "the Europeans have behaved responsibly."—but responsibility in this context would seem to mean not pursuing ideas different from those of the U.S.

In short, the dialectic of the foreign policy specialists in Washington and New York reflects the conflict between the simplifications of the Reagan-Carter debate, with its stress on increased defence spending, and the disquieting sense that what American foreign policy really needs *instead* is a more subtle approach to a complex and uninviting world.

Yet what is really curious is *that this dialectic is composed* almost exclusively of the old geopolitical ingredients: defence, diplomacy, economic and military aid, and above all East-West relations. Without prompting, almost no one mentions the international economic environment in which U.S. *foreign policy* will have to be conducted over the next decade. Yet *when* this *subject* is brought up, it becomes clear that it is the subject which causes the greatest anxiety.

There is certainly no shortage of gloomy forecasts of what the future will look like. The Global 2000 Report to the President, published earlier this year, paints a picture of the world at the end of the century which is likely to be increasingly short of most natural resources, in which the price of food is likely to be 100 per cent higher in real terms and the price of energy 150 per cent higher in real terms, and in which "the tensions which could lead to war will have multiplied."

But the preliminary manifestations of some of these problems are already upon us. Just in terms of the financing problems raised by the surpluses of the oil-exporting countries. Even with a moderate upward trend in oil prices, according to Morgan Guaranty, the 12 biggest oil-*importing developing countries* would be unable to borrow enough money commercially to sustain growth of 5 per cent a year during the next five years (which would be 1 per cent below their growth rate of the 1970s), and would probably have to cut growth back to 4 per cent a year.

In a more pessimistic case, with a new surge in real oil prices in 1983-84, the financing problem of the non-oil LDCs would be even more acute, and they would have to cut their GNP growth to only 1 per cent a year. "Such a reduction undoubtedly would trigger adverse social and political developments," says Morgan Guaranty. But the bank's calculations were made before the outbreak of the Iran-Iraq war, and today it would be *much* more doubtful even about the moderate scenario.

The International Monetary Fund, in its Occasional Paper on International Capital Markets, thinks that the pessimism of the commercial bankers over the immediate future (i.e. over the next year or so) *may be* somewhat overdrawn. But it acknowledges that there is increasing concern about the political risk that "in today's unsettled international environment, political actions might be taken which *directly* or *indirectly* would result in defaults by significant international borrowers. . . . If the oil surpluses persist, new steps will have to be taken to assist the traditional mechanisms in carrying out the *recycling function*."

It is easy to see that the kind of scenarios sketched out by Morgan Guaranty could profoundly affect the world environment in which American foreign policy is conducted during the next presidency. It is equally easy to see that there are no painless responses to the likely financing problems (leaving aside the question of the quantitative availability of oil supplies). But it is curious that there seems to be *a* conspiracy of silence about the potential gravity of the problem. This conspiracy of silence is not confined to America, but somehow one expects more of the leaders of the western world.

Weekend Brief

A new anti smoking game . . . Recruits for the veteran car rally . . . Fireworks in good health . . . Caligula

Mining for veteran vehicles

Most people looking for a car go to a showroom; Michael Worthington Williams will soon be heading down a disused Welsh mineshaft.

Worthington Williams has a reason for being reticent about its precise location: it may well contain about 50 cars, probably of 1920s manufacture but, with luck, some pre-World War I veterans, dumped there in the early 1930s by a despairing, depression-hit dealer.

If the expedition strikes pay-dirt it will not be for the first time.

Worthington Williams is Sotheby's chief veteran and vintage car expert, as well as the editor of the Veteran Car Club of Great Britain's magazine. After a rumour in the pub near his home in Wales last year, he led a "dig" in a field near Newcastle Emlyn where an early, Letchworth-produced Phoenix was said to be buried.

It produced the Phoenix, three other veterans—and a Sotheby's advertisement showing Worthington Williams down a hole at the wheel of the Phoenix and suggesting that the auction house might be the answer for owners financially "stuck in the mud."

Such finds are snapped up by enthusiasts ready to spend thousands of hours on restoration and refettling the parts which the catalogues no longer reach. And some, if careful vetting by the VCC proves a *pre-1905 pedigree*, *are allowed* on the start line of the annual London to Brighton veteran car run.

Many of the 300 veterans due to set off at 8 a.m. tomorrow for this year's Jubilee run have *origins no less bizarre than* those unearthed by Michael Worthington Williams.

John Garrett of Tooting found his 1895 Gladiator in a Cornish tin mine; Richard Smith's 1899 Benz was rescued from a Cambridge scrapyard in the late 1930s. Other motoring geriatrics are still being found consistently, if not in quantity.

"We no longer find many with trees growing up through them like in the old days," according to one VCC official, "but there really is a steady supply of little old ladies who have had the cars in the family garage since the year dot."

Britain is not the only happy hunting ground: an 1893 Panhard — in the ownership of one family from new—was recently turned up in Italy, and over 50 of those *on* the *start* line tomorrow will be from as far away as *Australia*.

Veteran motoring is not the exclusive preserve of the wealthy; the 1,200 members on the VCC's register, the club says, range from dustmen with one cherished car to dukes with *half* a dozen. There is, the club implies, nothing like being up to the neck in grease and broken widgets to break down class barriers.

Veterans do, however, change hands at some astonishing prices: anyone keen on obtaining an early 1900s 70 hp Mercedes may have to part with up to £100,000. But the average value of the London-Brighton cars, according to Michael Worthington Williams, is *£12,000-£15,000*.

Some typical prices under the *hammer* at Sotheby's: £25,000 for an 1893 Panhard, down to £3,200 for a De Dion Bouton tricycle.

In many cases, however, the owner will have bought a *derelict* for a few hundred pounds and sunk in thousands more in money, time and effort over a number of years. Up to about three years ago, cars could be restored and sold at a profit. But the steam has gone out of the market.

The last gasp in games

Christmas in some households will be a little gruesome this *year*, for in a *move thought* to be unprecedented, a British toys and games manufacturer, Dubreq, has launched a game called Smokers Wild that carries the warning: "This game is addictive, could save *your life*, and *may be* hazardous to the health of the tobacco companies."

In short, it preaches an anti-smoking message, and the tobacco companies will hate it. "In playing Smokers Wild," says Dubreq, "you will come to realise several things about smoking that are not usually mentioned in the advertisements of the *cigarette manufacturers*—such as what it does to your health and your wallet."

It is a board game with two tracks, one of which, the Lifeometer, marks off the "years" of the players' "lives." *The* object is to "smoke" *the* least and "outlive" your opponents. The more you smoke, the faster your health declines. The winner is the last player to complete 13 circuits.

"Just like the tobacco companies," states the instructions, "you will try to entice your opponents into becoming 'smokers,' which will effectively 'shorten their lives'."

Additionally, players may assume the role and collect the fees of some of the different occupations (taxman, undertaker, insurance agent, tobacco company, advertising agent) that in some way benefit from tobacco sales.

Smokers Wild is the invention of crusading anti-smoking games designer Clifford Forward. Despite threats from the tobacco lobby it *was launched* in Canada where it sold more than 50,000 units in its first year. He tried in Germany, but its launch was blocked by the tobacco companies there.

In Britain (Dubreq is running *off 10,000* units to *start with*) it costs £6.95 and is already on sale in Selfridges and the Army and Navy Stores.

Dubreq is a private company with a £3m turnover. All five directors are campaigning non-*smokers*. *According* to one of them, Smokers Wild won't make a fortune, but it *will* preach the message:

"It calls a *spade* a spade. It's hilariously funny but also deadly *serious*. It's *aimed at* eight-year-olds and upwards. The game does not guarantee that it will make you give up smoking, but it does claim that it could inspire you to stop, and may *definitely deter* a non-smoker from ever starting."

Fireworks are still sparkling

NEXT Wednesday the 375th anniversary of the last terrorist attempt to blow up the Houses of Parliament will be celebrated by the igniting of some 100m fireworks worth just over £10m at today's retail prices.

The firework industry is alive and well in spite of *concerted* campaigns in recent years to curb the *number* of fireworks sold over the counter in a bid to *reduce the* horrifying injuries to children from fireworks that go wrong. In fact, latest retail trade estimates suggest that sales this year will show the first volume growth for two or three years. This is in contrast to the mid-1970s when increased concern about firework accidents fed to a slump in *sales* and threats of government action to improve safety.

Since then, the firework industry has imposed a number of voluntary curbs—with the backing of the government—on the availability and type of fireworks sold. For example, zooming fireworks such as "helicopters" and "flying saucers" are no longer made: the number of bangers produced has been halved and the explosive content reduced by 20 per cent; and all fireworks, with the exception of the larger ones and sparklers, are only sold in boxes. Retailers have agreed not to display fireworks until three weeks before November 5.

The results of this policy were shown by the 22 per cent fall in *firework accidents* last year. But the total, at 745, was still higher than the 685 and 733 in 1976 and 1977 respectively. The firework trade says that the 308 accidents to under-13s last year was the lowest ever figure. The number of *serious accidents*—requiring more than one night in hospital—also fell last year to 49 from 65 the year before.

The fall in accidents last year has apparently staved off any tougher government controls in the immediate future. Instead, the Government has backed a major advertising campaign to try to reduce the accident statistics even more. The campaign, which includes poster and radio advertising, features Kenny Everett uttering such immortal lines as "Never put fireworks in your pocket if you don't want crunchy legs."

The dozen or so companies—mainly small—which make fireworks in Britain — headed by such famous names as Standard and Brock's—reap most of their *business* from the annual Guy Fawkes celebrations, but there are moves towards a wider application of firework technology. Earlier this year the major companies formed the British Pyrotechnists' Association to develop *such products* as bird scarers, marine distress flares, and organised displays. The simulated explosions during the recent NATO war-games were provided by a British company, Haley and Weller.

Firework manufacture for other than retail outlets now totals about an extra £4m a year and keeps the 2,500 employes in the *industry* fully stretched all year round.

But a growing challenge to traditional fireworks is also being mounted by the Norwich *company*, Tom Smith, *which* accounts for about 80 per cent of the £500,000 spent last year on indoor fireworks. Indoor fireworks, with names such as "Star of Bengal" or "Pharaoh's Serpent," sell at about £2.50 for 30 and the company *reports* that sales usually peak at around November, the month of Halloween and Guy Fawkes. Highest sales of indoor fireworks, however, are in Northern Ireland where traditional fireworks are banned.

Giving vulgarity a bad name

"What would *you* have done if you had been given absolute power of life or death over everybody else in the whole world?" shriek the advertisements for "Caligula," the Bob Guccione-produced film which opened in London this week. "Keep this film off the screens at any cost," would seem to be the general response from critics who have so far been able to see it despite Guccione's personally-ordered cancellation of an advance showing to the Press.

The author of the original "*Caligula*" screenplay, *Gore* Vidal, comments acidly that "*this* film could give vulgarity a bad name." The credits diplomatically admit that the final manifestation has been "adapted" from Vidal's work. In a similar vein, "principal photography by Tinto Brass" (of "*Salon Kitty*" *fame*) is said to be edited "by the production."

For *one of* the film's many major stars, Peter O'Toole, its London release makes a memorable pairing with his appearance on the Old Vic stage as Macbeth. For both film and play are packing the audiences in *largely* by virtue of their reputed awfulness. "Macbeth" was booked up months ahead after its first night made the front pages, as the critics howled at what they claimed to be a bombastic and stilted performance. The National Theatre production of Howard Brenton's "The Romans" has achieved a similar *succes furieux de scandale*.

For the record the *uncut* version of "Caligula," premiered last year in Rome, was a long and powerfully squalid experience. At its high points, the audience stood not to applaud but to get out. Hugh Hefner is credited with describing the body of Playmate Barbi Benton as "a sexual Disneyland." By the same token, "Caligula" is a sexual "It's a Knockout," weird, disjointed, utterly purposeless, and no doubt fun to some.

For Guccione, "Caligula" means an expected $20m profits for the $400m property and publishing (Penthouse, Forum, Omni) empire which he controls. An *ambitious, high-rolling* 50-year-old, his next project is a *hotel* and convention centre in Atlantic City, for which he is currently seeking $100m finance. For the rest of us, "Caligula" means, in the words of "Guardian" film critic Derek Malcolm, "neither good history nor good cinema. . . . How unforgivable to make sex and sadism *so* dull."

Contributors:
Michael Thompson-Noel
John Griffiths
David Churchill
Robert Cottrell

Economic Diary

MONDAY: Union leaders and senior *shop stewards* at BL meet in Coventry to assess support *for proposed strike* action on pay. One-day strike by *National* Union of Seamen over Cunard dispute. Agricultural workers' *pay* talks. *Building* Society house prices and mortgage statistics (third quarter). European Parliament Budget session opens, Luxembourg. Two-day Financial Times conference on Investment in Malaysia opens in Kuala Lumpur. Mr. David Howell, UK Energy Secretary, in Norway *for talks on* North Sea Oil. Pensioners' £1 day return rail ticket to anywhere comes into operation for experimental period.

TUESDAY: U.S. Presidential Election. Special Cabinet meeting called by Mrs. Margaret Thatcher on *spending cuts*. Result of ballot on Labour Party leadership. UK official reserves (October). London clearing banks' monthly statement (mid-*October*). *UK banks'* eligible liabilities, reserve assets, reserve ratios and special deposits (mid-October). Capital issues and redemptions (October). Trades Union Congress conference on "Services for the Unemployed," Congress House, London. Statement by British Importers Confederation on multi fibre textile Hazards of Liquefied Petroleum *Gas, Glasgow*.

WEDNESDAY: Monthly meeting *of National Economic Development* Council. Advanced energy statistics (September). Medical Research annual report.

THURSDAY: Coal Board reply to miners' pay claim. Mr. Len Murray, TUC general secretary, gives Ernest Bevin Memorial Lecture, London. Madame Simone Veil, president of European Parliament, in London for two days as guest of British Government. House renovations (third quarter). Housing starts and completions *(September)*.

UK COMPANY NEWS

Audio Fidelity slumps: dividend cut

ALTHOUGH turnover of Audio Fidelity was maintained at £5.01m for the year ended April 30, 1980, pre-tax profits were down sharply from £543,541 to £99,048. The directors have cut the dividend from 2.5p to 0.7p per 10p share.

Conditions continued to deteriorate throughout the first five months of the current year, but there are now positive signs of an improvement, the board says. The order situation appears to be healthier and some sections have returned to a normal working week.

Profits are struck before tax of £61,590 against £279,534 and an extraordinary credit of £53,522. Earnings per share are stated as 1.41p compared with 9.71p last year.

The Leeds-based group trades as a maker, wholesaler and retailer of hi-fidelity sound equipment. Retailing is carried on through branches in England and Scotland.

● comment

Audio Fidelity's 82 per cent pre-tax profit collapse reflects the flat nature of the UK audio market in the second half. Although not exactly comparable, Fidelity Radio experienced a severe half-time loss earlier this week, showing the difficulties facing the sector. Audio, however, is moving away from its unhappy retail business and is focusing instead upon musicians' equipment, disco sound and lighting products and ancillary equipment. Although the group suggests that there are now signs of an upturn, this could be a short-lived pick-up more related to the season than to recovery. The slashing of the dividend by 72 per cent cannot have pleased the market, but shares moved only 2p down to 21p yesterday. At this level they might be compared with a net asset value per share of close to 70p with a view to a possible takeover were it not for large family holdings. The yield comes to 4.9 per cent, not very attractive considering that the share price is depressed to less than half of its price one year ago. The p/e on a full tax charge is an overpriced 11.7.

Davies & Newman loss deepens at midway

HEAVIER INTEREST charges led to deeper pre-tax losses at Davies and Newman Holdings in the first half of 1980. But the interim dividend of this shipbroker, ships' agent and airline operator is being raised from an adjusted 2.64p to 3.08p.

There was an operating profit of £3.3m (£2.95m). However, increased depreciation of £1.82m (£1.52m) and interest of £0.85m (£0.32m) together with aircraft hire charges of £1.59m (£1.7m) left a taxable loss of £716,000 (£590,000).

Interest received amounted to £237,000 (£76,000), and share of associates' profits totalled £29,000 (£79,000 loss).

The directors say the first eight months of the year have been financially satisfactory for Dan-Air.

However, rising costs and reduced winter flying will adversely affect the full year results. But this should be alleviated by certain extraordinary items, they add.

Vigorous efforts are being made to counter the effects of the recession. Other subsidiary and associated companies are continuing to make useful contributions to profits.

In the last full year, there was a pre-tax profit of £3.38m (£2.01m), and the dividend totalled an equivalent 8.57p.

Tax credit for the half-year amounted to £372,000 (£304,000). Turnover improved from £58.62m to £67.67m.

● comment

Davies and Newman, whose principal operating company is Dan-Air, has turned in a first-half loss. Although this loss is 20 per cent greater than last year's it probably represents a satisfactory performance, as claimed. Interest costs are up 2½ times, but the financing of two new aircraft is responsible for much of the increase. It is the company's established pattern for interim losses to be followed by profit in the second half, which contains most of the peak season for air travel. Operating profits are expected to feel some recessionary drag, but that will be partly offset by insurance settlements. The shares fell 2p to 97p, where the historic yield is 15.2 per cent.

B. S. Whiteley in the red at halftime

PRE-TAX losses of £266,296 are reported by B. S. and W. Whiteley for the half year ended September 30, 1980, compared with profits of £100,592 in the same period last year. Turnover amounted to £3.45m against £3.17m.

The half year loss is attributable to the poor results from the principal company in this country. The South African company is in profit, however, while a loss by the Indian associated company was equalled approximately by profits earned by another associate.

Tax credits in the half year amount to £152,668 (£41,326 charge). Stated loss per share is 3.78p against 1.09p earnings.

The trading results are stated on the basis that the holding company retains its majority interest in B. S. and W. Whiteley (South Africa).

If the agreement concerning the sale of the company's interest to Power Technologies becomes operative, the effect on the half year results would be a pre-tax loss of £324,072 and a net loss of £154,623.

The group manufactures electrical insulating pressboard and multiply presspaper.

● comment

Earlier in the week, interim figures from Reed International displayed the sad state of British papermaking, afflicted by the strong pound. On a smaller scale, but without cushioning diversification, B S and W Whiteley has taken a nasty tumble. A significant upturn is not in the offing. Where the group does make money is in South Africa: and here, it plans to sell part of its holding in its subsidiary to a local group, Power Technologies. Whiteley will receive £170,000. But, to judge from the interim statement, it forfeits attributable profits currently running at an annualised £80,000. Whiteley believes that local management control will galvanise the subsidiary into improved profitability thus substantially increasing the yield from the 24 per cent holding which it will retain, more than offsetting the apparently unfavourable sale terms. So it may. But it is an awkward time for such a move, and the shares eased 2p to close at 10p.

Grovebell makes £602,000 cash call

By Ray Maughan

Grovebell Group is arranging a seven-for-one rights issue at the 5p per share nominal value to raise £602,000 which Mr. Vasant Advani, the chairman, says "will hold the company together and give it breathing space" in the face of a pre-tax loss of £410,000 in the six months to May 31, 1980.

In the whole of the previous year, the group lost £209,000 but that included a £366,000 deficit from three subsidiaries which have either been subsequently closed or sold. Their combined deficit in the following six months was £308,000 and the group is expected to lose a total of £650,000 in the current year. The shares fell 2p to 8p yesterday.

The continuing businesses—three garage subsidiaries and a confirming house—are all said to be in profit before debt servicing charges, although at a reduced level, but last year's interest charge of £326,000 has risen significantly to produce an interim pre-tax loss of £102,000.

The issue is to be underwritten by Sonesta Investment, of which Mr. Advani is a director. Sonesta already controls 16.25 per cent of Grovebell's equity while Staxford, where Mr. Advani also has a directorship, holds a further 3.96 per cent. Genco Investments, in which another Grovebell director has a seat on the board, controls a further 8.81 per cent.

The Takeover Panel has given Sonesta a dispensation from the normal requirement to make a full bid for Grovebell should its stake exceed 30 per cent as a result of underwriting the issue. The maximum stake which it would hold is 82.12 per cent if other shareholders fail to take up their rights but the Panel has ruled that it would require a reduction to 75 per cent in those circumstances.

GUS well ahead in first five months

Sir Isaac Wolfson, chairman of Great Universal Stores... taking steps to expand and improve operations

UNAUDITED PRE-TAX profits of the Great Universal Stores for the first five months of the current year indicate an amount near to the exceptionally high level of the same period last year, Sir Isaac Wolfson, chairman, says in his annual report.

During this period, a further amount has been transferred to the provision for unearned profit, service charges and collection costs, he adds.

Mail order overall in the first five months has about held its own and the reduced profits from multiple shop retailing and manufacturing have been counter-balanced from the group's strong cash flow. In addition, most of the overseas companies have performed well in terms of local currency, the chairman states.

The board is doing all it can to improve the group's performance and will take every sensible and prudent step to expand and improve the group's operations both at home and abroad, Sir Isaac adds.

For the year to March 31, 1980, pre-tax profits improved from £155.37m to £172.75m on external turnover of £1.74bn against £1.44bn. Burberrys was the main contributor to total group exports which amounted to £40.9m compared with £36.9m. CCA adjusted taxable profits were £149.16m (£138.72m).

The balance sheet shows provisions for unearned profit, service charges and collection costs of £137.16m against £112.78m. Ordinary stockholders' funds stood at £615.98m (£554.8m) with instalment and hire purchase receivables of £568.5m (£473.5m), loan stocks and bonds, £34.7m (£37.5m) and bank balances, certificates of deposit and cash, £98.37m (£83.13m).

Edward Erdman has advised the group informally that the value of the group's properties at March 31, 1980 would result in an overall surplus not significantly different from the £250m surplus reported in 1979. Neither of these valuations have been incorporated in the balance sheets.

Catalogue mail order interests represent the group's largest single trading activity and GUS has a strong position in the market. The Martland distribution centre continued to make an improved contribution to the affairs of British Mail Order Corporation and the facilities of Kays will benefit when the new warehouse space at Leeds becomes fully operational next year.

Meeting, 20, Aldermanbury, EC, November 28, at noon.

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Linread shortfall at interim stage

A SHARP fall in pre-tax profits from £775,000 to £297,000 is reported by Linread metal fastenings group for the 53 weeks to August 2, 1980, and the dividend is reduced from 3p per share to 2p with a 1p final payment.

Profits in the first 26 weeks were ahead at £122,000 (£107,000) but the directors said it was impossible to give any form of profit forecast for the year. They now say demand for the first quarter of the current year has remained at a depressed level but has not deteriorated further.

As a result of increased interest charges and losses in the commercial products division which sells to a wide spectrum of UK manufacturing industries, whole requirements for the last four months were cut back as a result of their lower levels of production and de-stocking.

This was in addition to results already badly affected by the engineering strike in the first half of the year.

Profits for the year are after exceptional trading losses of £889,000, depreciation of £441,000 (£406,000) and interest payable, £426,000 (£346,000). Tax takes £155,000 (£278,000) giving earnings per share of 6.99p against 8.42p.

Zimbabwe float by Dunlop

Dunlop Holdings is to raise Zim$9m (£5.8m) by offering 5m ordinary 50 cent shares in its wholly-owned Dunlop Zimbabwe subsidiary at 180 cents each on the Zimbabwe Stock Exchange next week.

Application lists open on November 3 and close ten days later. Dunlop Holdings will continue to hold some 75 per cent of the company's equity.

Dunlop Zimbabwe forecasts earnings of 15 cents per share for 1980, from which it would pay a final dividend of 5 cents to shareholders who take up the offer. A 5 cents interim has already been paid.

Nathan runs into deficit

THE SUDDEN downturn of sales in its industry has hit furniture manufacturer B. and I. Nathan. For the half year to June 27, 1980, the company incurred a pre-tax loss of £438,000, compared with a profit of £302,000 for the same period last year and no interim dividend is being recommended.

Last year, total pre-tax profits were increased from £483,339 to £572,083 and an interim dividend of 1.4p net was followed by a final of 2.6p.

The second six months of this year is expected to show reduced losses, after all costs of redundancies and costs of industrial action following redundancies at the Worcester factory.

A continuing programme of cost savings has included a reduction in total employees from an average of 589 in 1979 to 480 at the end of September 1980. In addition, a number of new products have been introduced to help restore volume.

The directors say that in the first half the company has suffered from lower volume in relation to the additional factory space and overheads, referred to in the annual report, and the loss of efficiency inherent in working to a very low order book.

Turnover for the period dropped from £4.25m to £3.63m. There was a tax credit of £165,000, against a charge of £157,000, and stated loss per 25p share came out at 14.77p (7.84p earnings).

An amount of £273,000 was brought from reserves, compared with a transfer to reserves of £119,075 a year earlier.

Savoy Hotel suffering badly in recession

IN conditions which the directors describe as severe a handicap as any encountered in 91 years of trading, the Savoy Hotel reports pre-tax losses of £837,000 for the first half of 1980, compared with a £32,000 loss in the same period last year.

"Regrettably it is not expected that the first half loss can be recovered in the second half of the year," the Board adds.

However, various changes, including a more remunerative use of the part of The Savoy for which planning permission has now been received, are progressing. These changes should ensure a return to profitable operation in the comparatively near future.

Total receipts in the first half were 5.66 per cent higher at £13.64m (£12.91m) but the trading profit dropped by 22 per cent from £2.35m to £1.83m. After deducting the cost of general maintenance and depreciation of £273,000 against £245,000, there was a loss of £251,000 compared with profits of £406,000.

The pre-tax loss was after heavier interest of £607,000 (£477,000) and crediting interest and dividends amounting to £21,000 (£38,000).

To help remedy the situation, an office and shop property were sold yielding a capital profit of £2.9m giving a profit after the extraordinary credit and minorities of £8,000 (same) of £2.06m compared with a £6,000 loss.

The capital profit includes £1.65m which had already been transferred to capital reserves, following a revaluation in 1975, together with a credit of £250,000 from the release of a provision for potential corporation tax on this revaluation, which is no longer required.

Last year, profits of the group had dropped from £1.09m to £483,000. The Kuwait Investment Office holds a substantial stake in the group's capital.

Airfix accounts next week

[illegible] accounts from Airfix Industries, delayed by technical problems in finalising figures for the troubled Meccano subsidiary which ceased manufacturing in the spring, are now expected next week.

It is widely thought that an announcement of the sale of Airfix's Crayonne plastics operations to a British buyer will accompany the results. Crayonne is said to be profitable, and it is thought that the buyer will pay cash. A loss-making subsidiary, Airfix Footwear, was disposed of in March for a nominal sum.

At the interim stage, Airfix reported a £261,000 pre-tax profit, excluding a £920,000 loss on Meccano, compared with £[illegible]8,000 previously.

Group finance director Mr. John Morris yesterday announced his retirement for reasons of ill-health. He is replaced by Mr. S. J. Lerner, a group accountant.

Move to oust Lilleshall directors is rejected

MR. JERROLD MOSER, a London solicitor, was yesterday unsuccessful in his attempts to unseat three directors of the Lilleshall Company, a Shropshire-based steel and engineering group. Mr. Moser—who leads a group of shareholders holding 22 per cent of the company's capital—was seeking to remove from the board, Mr. David Graham Wood, Mr. Christopher Harmer and Mr. Jim Kilby.

In their place the dissidents wanted to appoint to the board Mr. John Boulton, a shareholder since 1972 and a former management consultant with McKinsey and Co., who claims wide experience in the industrial and financial field. Mr. Boulton told the meeting he had "no instant blueprint" but felt that as an outsider his appointment would make for a stronger and more effective board.

At the extraordinary meeting in Telford yesterday, all of Mr. Moser's proposals were overwhelmingly defeated on a show of hands and subsequently confirmed by a poll. But with director Lord Granville's holding of 47 per cent of the capital the result of the vote was never really in doubt. Together with other directors he controls over 50 per cent of the company's capital.

Before the voting took place on the dissidents' proposals Mr. Moser read to the meeting a lengthy statement in which he explained in detail his reasons for seeking the changes on the Lilleshall board. His main complaint concerned the composition of the company's board and its trading performance.

Mr. Moser alleged that the interests of minority holders have been regarded with "high-handedness and disdain."

After the meeting Mr. Moser said there was no intention of disposing of the Lilleshall holding. He said he was "bloodied but not bowed" and would continue to fight for minority holders' interests. Mr. Alan Pike, chairman of the company, said that Mr. Moser's activities detracted from the main job of running the company.

Wood Hall Trust profit up

AFTER AN exceptional credit of £1.25m, profits before tax of Wood Hall Trust rose sharply from £6.02m to £9.78m in the year ended June 30, 1980. Last year's profit was after debiting an exceptional item of £1.86m.

Stated earnings per ordinary stock unit are 17.4p against 14.5p. The dividend is a same again 6.211p.

The results reflect the expected increase in profits from the Australian subsidiaries with pastoral trading rising from £2.7m to £5.43m and engineering and coal mining up from £1.79m to £2.27m.

Overseas trading produced £1.78m (£1.75m) while in the UK, materials handling contribution was £831,000 (£575,000), food, £282,000 (£288,000), and finance and property, £13,000 (£24,000). Building, contracting and estate development incurred a £1.42m loss against £1.14m profits last year.

Marlboro' hit by sale delay

OWING TO delay in the completion of the sale of the Leatherhead office development, Marlborough Property Holdings, property investment and development group, incurred a trading loss of £207,000 for the first half of 1980, compared with profit of £86,000 last time.

Mr. Martin Lange, the chairman, explains that although completion has now taken place, profit arising from the Leatherhead scheme could not be brought into the first-half accounts. But had it occurred before June 30, the company would have earned pre-tax profits in excess of last year's equivalent period.

He reaffirms that the forecast of gross rental income of £425,000 for the full year will be achieved.

Turnover for the six months climbed from £0.61m to £1.08m, of which £0.2m (£0.13m) was gross rents receivable.

Again no tax is payable. Including extraordinary credits of £22,000 (£4,000) comprising net profit on the sale of investment properties, loss for the period was £185,000, compared with profit of £90,000.

Loss per 5p share was 1.21p (0.54p earnings). As in previous years, no interim dividend is recommended, but the Board intends to propose a dividend for the year of not less than last year's 0.3p net.

The chairman discloses that discussions have reached an advanced stage in respect of an acquisition of a business, complementary to the group's existing interests.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Audio Fidelity	0.7	—	2.5	0.7	2.5
Burndene Invs.	Nil	—	0.6	1.1	0.25
R. H. Cole ....int.	Nil	—	2.13	—	4.65
Davies & Newman int.	3.08	Jan. 30	2.64*	—	8.57*
English & Intnl. Tst. int.	1.5	Dec. 8	1.5	—	5
Linreod	1	Dec. 8	2	2	3
MDW ....int.	1.25	Jan. 7	1.25	—	3.75
B. & I. Nathan ......int.	Nil	—	1.4	—	4
New Sylhet	Nil	—	7	Nil	7
Platignum ....int.	Nil	—	0.16	—	0.6
Herman Smith	0.3	Jan. 6	0.23	0.55	0.46
Wettern Bros. ......int.	Nil	—	2.07	—	5.21
Wood Hall Tst.	6.21	Dec. 11	6.21	6.21	6.21

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

RESULTS DUE NEXT WEEK

On Monday International Thomson Organisation, converting to Canadian practices, will produce its first set of third quarter figures. These are expected to show pre-tax profits in the region of £67m. Last year pre-tax profit for the full year was £161.5m about £50m of which was probably earned in the third quarter, so this would reflect a healthy rise in profits largely due to higher oil revenues and a smaller loss from The Times compared to last year. Regional newspapers have been less profitable due to a spate of strikes but a surge in late summer holiday bookings will have supported earnings from Thomson Travel.

Third quarter figures due from Hoover on Wednesday are expected to make pretty dismal reading. A move into the red to the tune of £0.5m pre-tax before currency adjustments, which given the strength of sterling will inflate the underlying trading loss even further, is anticipated. The loss will reflect weak domestic demand and pressure on margins in the face of continued competition from cheap imports. Although the subsidiaries in South Africa and Australia are expected to be trading profitably these are too small to make a significant impact on group figures.

A decline in interim pre-tax profits by about a third to £1.4m is anticipated when Capper-Neill announces its figures on Wednesday. The strength of the international contracting division will have partially shielded the company from falling domestic demand, so the decline in profits will be milder than most engineering companies. In addition, last year's interim figures were depressed by losses of about £300,000 due to the engineering strike, a similar figure to this year's redundancy costs.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Allied London Properties	Tuesday	0.40726	1.65732	0.45
Arenson (A.) Holdings	Tuesday	0.45	1.3	0.52
Bellway	Wednesday	3.0	4.0	3.0
Berry Trust (The)	Monday	—	1.25	—
Bridport-Gundry (Holdings)	Friday	0.99	1.42	0.99
Jessups (Holdings)	Thursday	1.0	2.0	1.0
Majedie Investments	Monday	—	1.5	—
Mertonair International	Tuesday	1.75	5.0	1.95
Moss Engineering Group (The)	Thursday	2.01	3.85	2.1
Oceana Consolidated (The)	Tuesday	—	1.0	—
Romer Textiles	Thursday	—	0.525	—
Samuel Properties	Thursday	1.0	2.5	1.1
Safeguard Industrial Investments	Tuesday	1.5	3.2	1.8
Speedwell Gear Case (The)	Thursday	—	Nil	—
Tricoville	Thursday	0.675	1.525	0.848
Ulster Television	Friday	2.2	2.6	2.6
Wellco Holdings	Thursday	0.4	1.0	0.4
Wemyss Investment Company (The)	Thursday	5.0	10.0	7.0
Whittington Engineering	Thursday	1.11667	3.15	1.4
INTERIM DIVIDENDS				
Airflow Streamlines	Thursday	0.8	1.67	
Ambrose Investment Trust	Tuesday	2.6	4.1	
Bank of Ireland (The)	Thursday	7.5	11.5	
Boot (Henry) and Sons	Thursday	3.0	10.0	
Bradford Property Trust (The)	Tuesday	1.8	1.65	
Capper Neill	Wednesday	2.1	2.1	
Continental & Industrial Trust	Tuesday	5.8§	7.5	
Clement Clarke (Holdings)	Tuesday	1.0468	1.375	
De Vere Hotels & Restaurants	Friday	3.0	3.0	
Graig Shipping Company (The)	Monday	5.0	10.0	
Grampian Television	Thursday	0.53	1.47	
Guardian Investment Trust (The)	Tuesday	1.6†	3.0	
Hambros Investment Trust	Thursday	1.8	3.71‡	
Headlam, Sims and Coggins	Thursday	0.8	1.36	
Hill (Philip) Investment Trust	Wednesday	1.6	4.28¶	
London Trust	Wednesday	1.125	1.875	
Milletts Leisure Shops	Thursday	2.85	4.0	
Mountview Estates	Wednesday	0.7	1.7	
Oxley Printing Group	Thursday	1.5	1.6	
Panto (P.)	Monday	Nil	Nil	
Polymark International	Tuesday	1.8	1.9	
Roberts Adlard	Tuesday	2.0	5.0	
Ropner Holdings	Monday	2.0	2.5	
Rush & Tompkins Group	Friday	1.25	2.5	
St. George's Laundry (Worcester)	Tuesday	0.56	0.84	
Usher Walker	Wednesday	1.2927	2.7837	
Warner Holdings	Wednesday	0.5	1.75	
Sainsbury (J.)	Wednesday	3.0	7.25	
Save and Prosper Linked Investmt. Tst.	Thursday	8.56	7.28‖	
Scotcros	Tuesday	1.96	3.115	
Scottish Ontario Investment	Friday	1.0	2.15	
Sketchley	Tuesday	2.8	5.2	
St. George's Laundry (Worcester)				
Usher Walker				
Warner Holidays				
INTERIM FIGURES				
Caird (A.) and Sons	Tuesday			
Hammerson Prop. and Inv. Tst. (The)	Wednesday			
Tysons (Contractors)	Monday			

§ Includes non-recurring dividend of 2.6p.
* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 0.7p. ‡ Includes special non-recurring dividend of 0.61p. ¶ Includes non-recurring dividend of 0.38p. ‖ Second interim.

Moran directors resign after poll defeat

BY JOHN MOORE

FOUR DIRECTORS of Christopher Moran Group, including the chairman, Viscount Hall of Cynon Valley, and the acting managing director, Dr. Raymond Hall, resigned yesterday at an extraordinary general meeting of the group.

They resigned when a motion to adjourn the extraordinary general meeting, at which the directors were seeking to unseat Mr. Christopher Moran from his directorships, was carried.

The upset came at a three hour meeting of the shareholders of the Moran Group, the insurance broker with large Lloyd's of London interests. The shareholders were attending, in an addition to the extraordinary meeting of the group, the annual general meeting.

The outcome of the meeting is that Mr. Christopher Moran remains on the Board, which has been reconstituted.

At the beginning of October the four—now unseated—directors had circularised shareholders telling them that the Corporation of Lloyd's had instituted disciplinary proceedings against Mr. Moran. "Further on August 1 Mr. Moran was charged by the City of London police with conspiracy to defraud members of certain underwriting syndicates. He is presently remanded on bail."

Because of the outstanding charges and the Lloyd's proceedings, the board had concluded that it "would be increasingly difficult for the board to fulfil its obligations if Mr. Moran remains publicly associated with it and that the group will suffer if such association continues."

Mr. Moran refused to resign voluntarily so the board proposed the special resolution.

Mr. Victor Wood, one of the four directors seeking Mr. Moran's removal, took the meeting yesterday.

Commenting on the resolution that Mr. Moran "be forthwith removed from his office as such a director," Mr. Wood said "because of the nature of the charges brought against him we are convinced that Mr. Moran must cease to be a director of the company until these charges are resolved.

"I should make it clear that we will have no alternative but to resign as directors and we have already made this clear to Mr. Moran."

Before the resolution was put Mr. Robin Potts, a barrister representing Eros Nominees, which holds 36 per cent of the share capital, which is the nominee registration of Heather Investments, intervened.

He said that at the annual general meeting, which was scheduled to take place after the extraordinary meeting resolutions were to be proposed to appoint directors in place of Mr. Victor Wood and Mr. James Redgrove, another director seeking Mr. Moran's removal.

"The gentlemen who it is proposed to appoint in place of Messrs. Redgrove and Wood are Messrs. Reeves, Bryans and Gainher.

"Eros Nominees takes the view that the resolution should not be proceeded with until the outcome of the annual general meeting is known."

He proposed a resolution "that the extraordinary general meeting should be adjourned sine die (indefinitely)."

He demanded a poll. Mr. Victor Wood told shareholders that if the resolution is carried "with the adjournment of the meeting for one second, never mind sine die, the Board will have no alternative but to resign forthwith."

The resolution was lost on a show of hands. The matter went to a poll and after a lengthy count, the result showed a total of 10,992,253 shares cast by just 35 shareholders in favour of the adjournment. Some 400 shareholders voted against the resolution but their holding when totalled only came to 4,549,289 and the motion was carried.

After a short adjournment, Mr. David Bryans was co-opted to the Board by Mr. Christopher Moran, and acted as chairman.

Mr. Ronald Reeves, a director of insurance broker, Oakley Vaughan, was later appointed as additional director after another poll.

Although Mr. Reeves had been defeated on a show of hands by 19 votes to 15 after a recount, the poll drew support of 9,855,043 votes in his favour compared with 8,000 cast against.

Hugh Routledge

The board of the Christopher Moran Group who resigned after the meeting—(left to right) Mr. Raymond Hall, Viscount Hall, chairman, Mr. Victor Wood, acting managing director, and Mr. James Redgrove, director. Mr. Christopher Moran.

BIDS AND DEALS

Australian stake in Ashton to increase

BY GEORGE MILLING-STANLEY

THE PARTNERS in the Ashton diamond joint venture in Western Australia are moving to increase the level of Australian ownership to enable commercial development to go forward. The plan calls for Ashton Mining to lift its stake in the venture from the present 24.2 per cent to 38.3 per cent at a total cost in cash and shares of about A$100m (£48m).

To accomplish this, Ashton Mining is to acquire the 9.1 per cent interest held by Tanaust, controlled by the UK group Tanks Consolidated Investments, in return for A$26.3m cash and 11m 50 cent shares. At last night's Sydney closing price for Ashton Mining of A$3.20, this values the total consideration payable to Tanks at A$61.5m.

In addition, Ashton Mining is to acquire the 5 per cent stake held by AO (Australia) for A$900,000 in cash and 12m shares, making a total consideration of A$39.3m. AO is currently owned by Malaysia Mining Corporation, which is in turn controlled by the Malaysian Government with a substantial minority stake in the hands of Charter Consolidated of the UK.

Ashton Mining intends to raise A$10.5m through a private placement with Australian institutions, and a further A$20m by a one-for-ten rights issue at A$2.60 a share. MMC, which currently holds 57.14 per cent of Ashton, will not take up its entitlement and will offer its rights to Australian holders of Ashton Mining at 10 cents on the basis of 12 rights for every 100 shares held.

The net result of this is that MMC's stake in Ashton Mining will fall to 50.14 per cent, which is just about in line with the Australian Government's guidelines under which foreign-controlled companies can be classified as "naturalising."

To meet these criteria, foreign-controlled companies must have at least 25 per cent of their equity in Australian hands and must guarantee to increase this to 51 per cent. They must also include a majority of Australians on the board.

Of the other participants in the Ashton joint venture, Northern Mining with 5 per cent is an Australian company, and CRA, the local offshoot of Rio Tinto-Zinc, is classed as "naturalising," so that half of its 56.6 per cent stake is regarded as Australian.

This means that the CRA and Northern Mining stakes account for a presumed 33.4 per cent Australian participation, and if half of Ashton Mining's future 38.3 per cent interest is counted as Australian, the local participation would be over 50 per cent, thus meeting another Federal Government criterion that new mining projects must have at least 50 per cent local equity participation.

The deals represent a further step towards ensuring that the Ashton venture is granted export permits for its diamonds. While no formal announcement has been made of a start-up date for production, Mr. Rees Towie, chairman of Northern Mining, told this week's annual meeting that he hoped to see the start of cash flow from the operation in early 1981.

SUMMARY WEEK'S COMPANY NEWS

Take-over bids and deals

600 Group made an agreed bid of 72p per share cash for Startrite Engineering, valuing the latter at £2.16m. 600 Group intends that the business of Startrite will be continued and developed.

Unilever is to merge its two large UK frozen food product companies Birds Eye Foods and Wall's Ice Cream into a single company to be known as Birds Eye Walls.

Dealings in the shares of Monument Securities, a loss-making investment holding company, were suspended on Monday at 3½p pending the outcome of talks which may lead to an offer for the company's capital, while, on Tuesday, dealings in property developer Dorrington Investment were halted, at 114p, also on news of a bid approach.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Aberdeen Invs.	100*	102	86	2.00	Aitken (Eng.)	—
Armitage Shanks	108§	109	108	28.92	Blue Circle	6/11
Coral Leisure	100	89	82	84.36	Bass	—
Cumulus Inv.	64	60	45††	3.35	Greycoat Ests.	—
Eng. & O'seas Inv.	17	14½	14½††	1.75	Pentos	—
Gillspur	115	115	105	21.66	Transprt. Dev.	—
Gough Cooper	120*§	141	102	6.85	Starwest	—
Gough Cooper	145*§	141	127††	11.14	Allied London Properties	—
Kayser Bondor	100*‡	46	56	0.67	Courtaulds	—
Kean and Scott	20*‡	109	31	0.36	Hwly. Leisure	—
Laurence Scott¶¶	63§	61	60	4.32	Mining Supplies	5/11
Le Bas (Edward)	85*	82	53††	2.13	Burch Hldgs.	—
Lidstone	280*	305	290	0.51	Security Exchange	—
Mecanic (Lond.)	30*	30	23	0.38	Courtaulds	—
Provincial Cities	45§§	42	38½	2.18	Brooke Tool	12/11
Renwick	65	64	50	5.34	AAH	—
Startrite Eng.	72*	68	42††	2.16	600 Group	—
Tanjong Tin¶¶	115*§	120	115	1.20	Pahang Cons.	3/11
Wardle (B.)	23½§	29	24	4.13	NCC Energy	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 31/10/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

Scrip Issues

British Car Auction—One for four.

Rights Issues

Kean and Scott—Rights issue on the basis of eight for one at 25p to raise £810,000.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Armour Trust	April	440	(373)	2.8	(2.4)	0.13	(0.1)
B.C.A.	July	2,620	(1,740)	7.9	(5.0)	6.45	(2.87)
Bell (Arthur)	June	16,840	(16,820)	30.9	(26.3)	6.08	(5.29)
Gomme Holdings	July	1,660	(1,900)	14.3	(10.9)	0.89	(4.06)
Hepworth (J.)	Aug.	5,700	(6,580)	6.7	(11.6)	3.79	(3.79)
M.Y. Dart	June	1,230	(1,720)	7.3	(9.7)	2.9	(2.8)
Nth. Brit. Props.	July	1,550	(1,150)	5.1	(4.1)	2.8	(2.5)
Pochins	May	715	(725)	39.5	(58.9)	9.0	(9.0)
Simpson (S.)	July	1,040	(1,540)	10.0	(11.3)	4.26	(4.26)
Singapore Para	Mar.	178	(135)	0.8	(0.6)	0.5	(0.35)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bambers Stores	Aug.	1,120	(1,060)	0.65	(0.57)
Boosey & Hawkes	June	60	(391)	1.9	(1.9)
Border Breweries	Aug.	474¶	(558)	1.3	(1.2)
Callender (Geo.)	June	609	(276)	0.7	(0.61)
Can'd'n & Foreign	Sept.	372	(295)	1.95	(1.75)
Clayton Holdings	June	271	(336)	1.4	(1.4)
Coates Brothers	June	3,650	(4,052)	0.88	(0.88)
Coats Patons	June	26,673	(31,045)	1.4	(1.4)
Corning	June	476L	(832)	—	(—)
Crowther (John)	June	4	(55)L	—	(—)
Energy Finance	Sept.	180	(156)	0.6	(0.6)
Fidelity Radio	Sept.	973L	(788)	—	(1.66)
Geers Gross	June	353	(222)	1.5	(1.5)
Gordon (Luis)	June	383L‡	(110)L‡	—	(—)
Harrisons & Crfld	June	26,470	(26,851)	7.5	(7.5)
Henderson (P. C.)	Aug.	938	(815)	2.25	2.25)
Hopkinsons Hldgs	Aug.	94L	(789)	1.5	(1.5)
Jacksons Group	June	365	(173)	2.1	(1.45)
Jenners	July	30L	(109)	3.0	(3.0)
Kean & Scott	Sept.	99L	(38)L	—	(—)
Lamont Holdings	June	121	(61)	0.4	(—)
Laughton & Sons	June	255	(407)	—	(—)
Lawrence (Wltr.)	June	609	(988)	2.5	(1.8)
Lowland Drapery	June	113L	(—)†	—	(—)
Mallinson Denny	June	3,050	(4,870)	1.5	(1.5)
Miller (Stanley)	June	6	(98)	0.6	(0.6)
Press (William)	June	3,210	(4,730)	0.6	(0.6)
Reed Interntnl.	Sept.	27,000	(50,100)	4.0	(4.0)
Rehdsns. Westgth.	June	412	(410)	1.05	(1.05)
Runciman (Wltr)	June	1,310	(232)L	2.5	(1.25)
Tern Consulate	June	33	(205)	—	(2.0)
Tharsis	June	13	(92)	—	(—)
Tozer Kemsley	June	4,570	(6,980)	1.59	(1.59)
Weeks Associates	Aug.	116L	(30)	—	(0.7)
West Brom Spring	June	220	(275)	—	(0.29)

(Figures in parentheses are for corresponding period)
* Dividends shown net except where otherwise stated. † Pre-tax profit of £300. ‡ Attributable loss. L Loss. ¶ Estimated pre-tax profits.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Guinness Mahon	16 %
Allied Irish Bank	16 %	■ Hambros Bank	16 %
American Express Bk.	16 %	■ Hill Samuel	§16 %
Amro Bank	16 %	C. Hoare & Co.	†16 %
Henry Ansbacher	16 %	Hongkong & Shanghai	16 %
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
BCCI	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	16 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	16 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	16 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	16 %		
First Nat. Fin. Corp.	18 %		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14¼%.
† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 15%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

MFI chairman sells 1m shares

MR. A. C. SOUTHON, chairman of MFI Furniture Group, sold 1m shares in the group for £660,000 on Wednesday.

He said yesterday he had held 4.4m shares in MFI since it went public in 1971. He was approaching 65 and felt it was time to diversify his assets. He had no plans to sell his remaining holding.

Two other directors, Mr. D. S. Hunt and Mr. E. W. Lee, have sold 10,000 and 7,000 shares respectively in MFI this week.

Last October County Bank placed 33m shares previously held by two of the founding directors at 72p.

At the time of the placing MFI's profits were forecast to reach £18m for the year to May, 1980. In the event this turned out to overestimate earnings by about 7.5 per cent.

Mr. Southon said yesterday that interim profits for 1980-81 would be hit by the cost of integrating Status Discount and higher interest charges. Borrowings were slightly in excess of the £16m on May 31.

He said the group was looking at its properties, and an upward revaluation was anticipated.

ILLINGWORTH MORRIS SALE

Textile group Illingworth Morris has sold its 33.49 per cent stake in Salford textile and engineering group Cawdaw Industrial Holdings. Northern Trust Company, a private company in Chorley, Lancashire, bought 1.452m stock units (28.57 per cent), while the balance was sold to investment clients of stockbroker Charlton Seal Dimmock. The 1.7m stock units were sold at 27p each, 4p below yesterday's closing price for Cawdaw.

M & G INVEST. 5.4% STAKE IN GRAMPIAN HLDGS.

M and G Investment Management has disclosed that it controls 5.4 per cent of Grampian Holdings through funds which it either manages or advises.

Grampian, a construction and transport group, has called a special meeting for November 5 to authorise the acquisition of a vehicle fleet from James Cunninghame for £1.7m. Cunninghame is a private company controlled by Mr. D. J. Malcolm, a director of Grampian.

ROCHE RIGHTS AND ACQUISITION

Roche Plant, the plant hire group, traded on the Stock Exchange's unregulated 163(2) market, yesterday announced a £250,000 rights issue and the £1.15m acquisition of shopfitter Croydon Display.

The Roche Board says the rights issue will raise further permanent capital for the group, whose last balance sheet showed shareholders' funds of £1.8m at September 1979.

Roche is paying £900,000 cash and 1.4m ordinary shares for Croydon, a private company which it will operate as an additional group division.

Croydon had net tangible assets of £675,000 and cash balances of £1.1m at December 31, 1979. Pre-tax profits were £545,000 in 1979, but will be less than £289,000 this year.

Roche had planned to seek a full quote on the basis of this year's accounts, but now expects to join the Unlisted Securities Market and defer full listing for another year.

It estimates pre-tax profits for the 12 months to September 1980 at £150,000, against £227,000.

The rights issue terms are one ordinary share at 18p for every three shares held. It is underwritten by County Bank, and broker to the issue is Hoare Govett.

The Board forecasts a final dividend of 0.5p on the enlarged capital for the 15 months to December 31, 1980.

BARCLAYS

Barclays Bank International, a subsidiary of Barclays Bank, is acquiring the 20.47 per cent interest in Barclays Kol and Co., of the Netherlands, which it does not already own.

The bank said it had reached agreement to this effect with P. K. H. Meyer Swantee, but declined to give any financial details.

T. R. ENERGY

T. R. Energy and certain investment trusts managed by Touche, Remnant have purchased, for $5m, 25 per cent of Nord Petroleum Corporation of Houston, Texas. Nord Resources Corporation, a natural resource company with diversified mineral holdings, owns the remaining 75 per cent of Nord Petroleum.

SHARE STAKES

Wheway Watson Holdings — Following the capital reorganisation, Britannic Assurance will be interested in 3m ordinary shares (10.56 per cent).

London and Strathclyde Trust —Cavenham Pension Trustees has acquired 785,000 ordinary shares (5.45 per cent).

Losses at Platignum

FOR THE half year ended July 31, 1980, Platignum incurred a pre-tax loss of £18,184 against profits of £96,789, and the directors do not expect a return to profitability in the current year.

No interim dividend is being declared and the decision regarding a final payment will be made when the year's results are known. Last year, the interim of 0.15829p was followed by a 0.44171p final when pre-tax profits were £331,000.

Sales for the half year amounted to £5.04m compared with £4.67m. However, the market for writing instruments has continued to decline and the third quarter has seen no reversal of this trend.

Export performance for the remainder of the year will depend upon the resolution of the current Middle East conflict, since over £0.5m in confirmed orders for this area alone is currently outstanding, the directors say.

Sales of plastic moulded products were above budget for the first half of the year. However, the demand from customers has slumped and no further growth in this market is likely for the remainder of 1980.

As before, much of the profitability of the group depends upon the trading position prior to Christmas. At present, there is no indication that the recessionary trend is likely to lift sufficiently to improve Christmas sales.

Goldman forecasts further loss

MARGINS came under pressure at H. Goldman Group in half-year ended April 30, 1980, and trading losses rose from £39,000 to £50,000 on increased sales of £1.65m, against £1.56m.

A further loss for the second half is forecast by the directors of this hardware, clocks and watches wholesaler, there having been no significant improvement in trading conditions.

There was a pre-tax loss of £86,000 in the last full year.

MDW up to £0.47m midterm

TAXABLE profits of MDW Holdings rose from £412,000 to £467,000 in the first half of 1980, on increased turnover of £19.7m, against £14.6m.

The results, which include John Lawlor for the first time, would have been considerably better had it not been for a marked slow down in house and property development sales, with consequent high interest charges, the directors say. This will continue into the second half.

Although construction turnover has been maintained, there is no likelihood of any early improvement in the low margins now obtainable, they add.

The interim dividend is held at 1.25p net. Last year a total of 3.75p was paid from pre-tax profits of £1.26m.

With no tax payable for the half-year, against £216,000 last time, earnings per 25p share are shown to have advanced from 2.9p to 6.92p.

On a CCA basis, mid-term taxable profits would have been reduced to £246,000, with earnings per share at 4.19p.

Burndene Investments omits final

A SWING into losses is reported by Burndene Investments for the year ended May 31, 1980, and the final dividend is being omitted.

Pre-tax losses totalled £620,842, compared with profits of £395,525 last time. The directors had warned at midway, when reporting reduced profits of £93,225 (£130,249), that losses must be expected for the second half.

They now say that trading in all divisions remains difficult and this will continue until there is a substantial reduction in interest rates and an increase in consumer spending. The group makes caravans, mobile homes and hosiery and has property development interests.

There were stated losses per 5p share for the year of 4.6p, compared with earnings of 2.6p. The passing of the final dividend leaves the interim payment of 0.25p net as the year's total. The total last time of 1.1p included a 0.6p final.

Turnover amounted to £8.65m (£9.36m). Tax credits totalled £151,793 (£109,280).

TREASURY STOCK

The Bank of England announces that the Treasury will make no conversion offer in respect of holdings of 11½ per cent Treasury stock 1981. The stock will be redeemed at par on January 15, 1981.

RESULTS AND ACCOUNTS IN BRIEF

WORMALDS, WALKER AND ATKINSON (woollen textile manufacturer)—Turnover for 26 weeks to August 31, 1980, £1.54m (£1.73m—27 weeks). Pre-tax loss £72,518 (£68,251). Tax nil (same). Board says effect of improved margins after reorganisation of productive capacity being more than offset by reduction in demand. This caused mainly by further appreciation in sterling and deterioration of UK trade conditions. Deliveries to long-standing customers in export and home markets less than anticipated which makes it difficult to forecast likely result for year.

ZENITH CARBURETTER COMPANY—Turnover for six months to June 30, 1980, £7.256m (£8.287m); trading loss £114,000 (£290,000). After exceptional debits £650,000 (£75,000) and investment income £201,000 (£231,000), pre-tax loss £563,000 (£134,000). Tax credit £235,000 (£84,000), making net loss £328,000 (£50,000). Loss per "A" and "B" share before tax 9.6p (2.3p), after tax 5.6p (0.8p). Improved profitability achieved in second half of 1979 was maintained in first months of 1980, but in second quarter savage cuts in customer requirements forced company into a loss position.

HERMAN SMITH (mechanical and electrical engineer)—Final dividend 0.3p making 0.55p (0.46p) for year to June 30, 1980. One-for-two scrip issue also proposed. Profits £513,038 (£259,545) before tax of £283,892 (£51,264). Extraordinary credit £83,493.

R. H. COLE (chemicals, plastics and electronics)—No interim dividend for 1980 (2.13—total 4.65p). Turnover for half year to June 30 £13.79m (£14.67m). Pre-tax loss £79,000 (profit £518,000) after finance charges £202,000 (£158,000). Tax credit £41,000 (charge £270,000). Attributable loss £41,000 (profit £234,000).

BRITISH NORTHROP (textile machinery and estate development)—Turnover for half year to June 30, 1980 £778,000 (£732,000). Trading profit £125,000 (loss £43,000), interest £229,000 (£153,000), attributable loss £104,000 (£196,000). Loss per 50p share 5.98p (11.27p). Directors say order input situation has not improved over the third quarter and, with short time working now in operation, it is unlikely that second half will improve on first half performance. They therefore, see little likelihood of dividend this year.

EUROPEAN OPTIONS EXCHANGE

Series		Dec. Vol.	Dec. Last	Mar. Vol.	Mar. Last	June Vol.	June Last	Stock
GM C	$50	8	2¼	—	—	—	—	$48⅜
		Jan.		April		July		
ABN C	F.300	14	7.50	4	10.50	—	—	F.262
ABN C	F.320	e5	5	5	5	10	e	"
AKZO C	F.20	8	0.70	11	1.30	6	1.60	F.18.60
AKZO C	F.22.50	8	0.20	—	—	20	1	"
AKZO P	F.20	15	2	e	2	—	—	"
AKZO P	F.22.50	12	3.80	20	4.20	—	—	"
AKZO P	F.25	—	—	5	6.50	—	—	"
AMRO C	F.60	—	—	4	4.30	—	—	F.62
AMRO C	F.65	75	1.50	—	—	—	—	"
AMRO C	F.70	—	—	16	1.20	—	—	"
CSF C	F.520	2	65	—	—	—	—	F.014
HEIN C	F.50	—	—	1	4.80	—	—	F.49.60
HEIN C	F.55	—	—	11	2	—	—	"
HEIN C	F.60	e	0.50	—	—	—	—	"
HEIN P	F.50	2	2.80	—	—	—	—	"
HEIN P	F.55	10	5	—	—	—	—	"
HOOG C	F.15	e	0.40	—	—	—	—	F.16.10
IBM C	$70	2	2⅛	—	—	—	—	$65½
IBM P	$65	5	2¼	—	—	—	—	"
KLM C	F.55	15	9.50	—	—	—	—	F.63
KLM C	F.60	135	5	20	6	1	8	"
KLM C	F.70	250	1.10	65	3.50A	20	5.20	"
KLM P	F.55	29	1.40	81	3	11	4.50	"
KLM P	F.60	66	3.30	51	5.50	8	7	"
KLM P	F.70	—	—	60	10B	10	11	"
NATN C	F.120	12	2.80	—	—	—	—	F.117.30
PETR C	Fr.5500	e	180	—	—	—	—	Fr.5420
PHIL C	F.15	16	1.50	120	2.10	—	—	F.16.40
PHIL C	F.17.50	69	0.50	8	0.80	1	1	"
PHIL C	F.20	583	0.10	—	—	—	—	"
PHIL P	F.17.50	116	0.50	180	1.70B	—	—	"
POLA C	$30	—	—	5	2	—	—	$28
OLIE C	F.160	—	—	10	50	—	—	F.205.50
OLIE C	F.170	21	36.50	—	—	—	—	"
OLIE C	F.180	e	26.50A	9	31.50	—	—	"
OLIE C	F.190	167	16	45	22	8	26.50	"
OLIE C	F.200	227	12.20	121	18.50	12	20	"
OLIE C	F.220	e57	4.80	159	8	41	9.20	"
OLIE P	F.160	10	0.20	7	0.50	—	—	"
OLIE P	F.170	100	0.50	—	—	—	—	"
OLIE P	F.180	140	1.20B	98	2.30B	—	—	"
OLIE P	F.190	100	5.10A	15	5	10	6.80	"
OLIE P	F.200	58	6.20	16	9.20	1	11	"
OLIE P	F.220	17	17	—	—	—	—	"
ATT C	$50	5	1⅛	—	—	—	—	$49⅝
UNIL C	F.120	30	5A	16	6	—	—	F.122.50
UNIL C	F.130	5	1	1	2	—	—	"
UNIL P	F.120	2	2.60	—	—	—	—	"
EXON C	$80	—	—	12	5¼	—	—	$75⅝
		Nov.		Feb.		May		
SLUM C	$110	—	—	2	6A	—	—	$107½
SLUM P	$120	—	—	8	4½	—	—	"
SLY C	$80	1	27	—	—	—	—	"
SLY C	$100	—	—	2	14¼	—	—	"

TOTAL VOLUME IN CONTRACTS 4044
C=Call P=Put

LONDON TRADED OPTIONS

Option	Ex'rcise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	390	106	1	118	—	—	—	476p
BP	420	60	44	94	—	108	—	"
BP	460	52	7	68	10	84	1	"
BP	500	34	17	46	e	64	2	"
Com. Union	180	7	2	14	—	19	—	154p
Cons. Gold	550	136	5	153	—	—	—	648p
Cons. Gold	600	98	5	126	—	157	—	"
Cons. Gold	650	57	30	88	—	106	—	"
Cons. Gold	700	37	56	60	—	80	—	"
Courtaulds	50	19	1	20½	—	—	—	64p
Courtaulds	60	2½	31	14	12	17	—	"
Courtaulds	70	6½	10	8	—	11	—	"
Courtaulds	60	2¼	1	—	—	—	—	"
GEC	600	55	9	50	—	80	—	571p
Grand Met.	120	48	1	—	—	—	—	160p
Grand Met.	130	38	20	—	—	—	—	"
Grand Met.	140	29	4	55	1	48	—	"
Grand Met.	160	15	e1	24	—	30	—	"
Grand Met.	180	8	1e	13½	—	17	—	"
ICI	330	28	1	56	6	44	—	351p
ICI	360	12	9	22	—	32	—	"
Land Secs.	355	65	12	—	—	—	—	390p
Land Secs.	390	28	17	49	1	52	—	"
Land Secs.	420	14	20	32	—	45	—	"
Marks & Sp.	90	27	8	55	—	—	—	112p
Marks & Sp.	100	18	4	65	—	65	—	"
Marks & Sp.	110	11½	5	18	—	22	—	"
Marks & Sp.	120	6	6	11	1	16½	—	"
Shell	420	72	14	88	—	100	—	466p
Shell	460	42	0	58	5	72	—	"
Shell	500	22	24	56	1	52	—	"
Totals			571		44		5	
		November		February		May		
Imperial Gp.	70	6½	35	12	—	14	—	75p
Imperial Gp.	80	1½	62	5	152	8½	—	"
Imperial Gp.	90	½	—	2	2	4	—	"
Lonrho	94	21	7	29	—	—	—	115p
Lonrho	104	1e	e1	61	5	—	—	"
Lonrho	114	6	17	15	16	—	—	"
Lonrho	180	e½	—	10	1	17	1	"
P. & O.	110	15	10	e1	—	26	—	126p
P. & O.	120	6½	9	15	—	21	—	"
P. & O.	140	1½	—	6	5	9	—	"
Racal Elec.	300	53	8	73	—	88	—	351p
Racal Elec.	330	24	27	50	—	59	—	"
Racal Elec.	360	8	—	53	1	30	—	"
RTZ	414	50	1	80	—	102	—	474p
RTZ	454	6e	2	50	—	75	5	"
RTZ	494	7	1	30	—	56	—	"
Totals			210		185		4	

SPAIN

October 31	Price %	+ or −
Banco Bilbao	252	
Banco Central	281	
Banco Exterior	221	
Banco Hispano	241	
Banco Ind. Cat.	125	
Banco Madrid	141	
Banco Santander	282	
Banco Urquijo	142	−3
Banco Vizcaya	261	+1
Banco Zaragoza	220	
Dragados	108	−1
Espanola Zinc	60	−2
Fecsa	63.5	−0.2
Gal. Preciados	31	−0.2
Hidrola	69	
Iberduero	65.2	+0.2
Petroleos	113	−1
Petroliber	85	
Sogefisa	102	
Telefonica	60.2	−1.3
Union Elect.	68.5	−0.2

Wall St. firm and active

A FIRMER TREND developed in active trading on Wall Street yesterday, with improvement in some Oil issues.

By 1 pm the Dow Jones Industrial Average was up 2.98 at 920.73, reducing its loss on the week to 22.87, while the NYSE All Common Index, at $73.16, gained 31 cents on the day but was still off $1.74 on the week. But declining issues marginally outnumbered advances, although the trading volume expanded 3.97m shares to 29.79m compared with 1 pm Thursday.

Analysts said investors continue to be worried about rising interest rates and tight credit.

Earlier Chemical Bank became the first bank to raise its Broker Loan rate to 14½ per cent.

Gulf Oil firmed $¼ to $40. Gulf Canada (on the American SE) were up $⅛ to $20⅞ after closing more than $2 lower Thursday following Canadian Government proposals on acquiring oil and gas production.

Dome Mines further declined $5¾ to $96, but its Dome Petroleum affiliate (on the American SE) recovered $1½ of its previous $7 loss.

Sun Co., which fell more than $6 Thursday, shed another $¼ to $47.

Semiconductor stocks rebounded after the sharp sell off Thursday. National Semiconductor gained $¼ to $36¾, Motorola $2⅞ to $64⅞ and Texas Instruments $2¼ to $124¾.

Teradyne gave way $1⅞ to $47¼ on lower third quarter earnings.

Marathon Oil lost $1¼ to $61¾, Homestake Mining $3½ to $80¼ and Murphy Oil $1¼ to $50¾. But General Dynamics rose $1⅞ to $64¼, Union Oil $1 to $47½, Tosco $1¼ to $35¼, Kerr-McGee $1⅞ to $84¼ and Motorola $1⅞ to $63¼.

SCM were down $2¼ to $25, while still awaiting final results in its proxy fight following the annual meeting Thursday.

THE AMERICAN SE Market Value Index rallied 2.03 to 333.48, trimming its loss on the week to 21.96, while the trading volume expanded 548,000 shares to 6.61m compared with 1 pm Thursday.

Closing prices for North America were not available for this edition.

Canada

Oil and Gas issues began a slow recovery from sharp setbacks in the last two sessions. Prime Minister Trudeau said the Federal Government will continue negotiations with the oil-producing province of Alberta on domestic pricing.

At noon, the Toronto Composite Index was up 6.8 to 2,219.8, while the Oil Index was 78.7 higher at 4,300.9. Utilities firmed 1.69 to 266.82.

But the Gold Share Index dipped 170.2 to 5,294.0, Metals and Minerals 9.2 to 2,325.0, Banks 1.11 to 377.69 and Papers 0.61 to 205.80.

Trudeau responded to an announcement by Alberta Premier Lougheed that the Province will reduce its oil output by 15 per cent over the next nine months in retaliation against Federal energy plans in the Budget.

Bargain hunting among large Oil issues dominated trading. Dome Petroleum rose $2½ to $68, Hudson's Bay Oil $1⅞ to $27½ and Texaco Canada $1⅛ to $23⅞.

Australia

Markets gave a record-breaking performance to finish the week and the month in high style.

Energy stocks again set the pace in above-average volume. London reported Thursday night that there was strong demand for such stocks as the Rundle Twins, Esperance, Greenvale and MIM. Australia picked up where London left off.

Central Pacific, which broke the A$10 mark Thursday found no difficulty at all Friday in reaching A$11.

The rest of the Shales enjoyed strong support in the first session but tended to fall to profit-taking in the last hour.

In Uraniums, Queensland Mines were outstanding with a 90 cents gain to A$10.30 while its parent, Kathleen Investment moved up 40 cents to A$7.50.

Ampol Petroleum, up 12 cents at A$2.02, reacted to the increased bid from Pioneer Concrete, of A$2 a share. Speculators and defenders put Ampol above the bid on the market, but Pioneer still managed to pick up some good lines off market.

The Delhi-Santos Group found good gas in a wildcat Wareena No. 1, drilled in the Queensland section of the Cooper Basin.

Coal Minings were strong.

In Industrials, Bond Corporation improved 40 cents to A$3.50 on its resource prospects.

Hong Kong

Prices moved sharply higher in extremely active trading, sparked by rumours that Chinese interests may bid for Jardine Matheson, which jumped HK$6.25 to HK$36.5.

The Hang Seng Index rose 62.38 to 1499.86, the biggest rise seen in the last seven years and taking the index to a seven-year high.

Jardine Securities followed in the wake of its associate by adding HK$1.50 at HK$16.50 and Jardine Matheson 7½ per cent Loan gained HK$30 to HK$179.

Hong Kong Land, which on Wednesday said it agreed to buy 25m newly-issued Jardine shares, rose HK$1.40 to HK$22.

Cheung Kong moved up HK$2.35 to HK$32.25.

Toyko

Share prices continued to rise, with many dealers encouraged by an expected cut in official Discount Rate early next week and a slow return of foreign investors to Japanese stocks. Volume 380m (320m) shares.

Precisions, Electricals, Steels and Heavy Electric Machines led the advance, with Minolta Camera gaining Y92 to a 1980 high of Y620.

But recent favourites such as Oils and Pharmaceuticals eased on profit-taking, with Arabia Oil off Y50 to Y2,910 and Daiichi Seiyaku Y20 to Y730.

Switzerland

The recent slow upward movement was halted in a typical end-of-the-week consolidation market.

Dealers reported heavy interest from abroad amid Middle East buyers, apparently switching from Ciba-Geigy non-voting shares, also certain foreign interests have apparently sold Nestle shares in recent weeks and are favouring the Hoffman-La Roche shares.

Paris

French share prices closed mixed with a slight majority of gainers after a hesitant start.

Oils declined following news of the Canadian Government's intention to increase its ownership of Foreign Oil company assets.

Milan

The Stock Market continued its surge in feverish activity and the Index posted a further gain of 3.41 to a new 1980 peak of 183.53.

Germany

Share prices fell in what dealers described as hesitant trading, reflecting weakness of the mark and falling Bond prices.

Banks were lower, with Commerzbank down DM 2.90 at 137.6, with selling unusually heavy at times.

Euromark issues were also lower.

Johannesburg

Gold shares eased in line with the gold price in dull pre-weekend trading.

Producers generally lost up to 100 cents.

Platinums held steady, while Coppers eased.

Indices

NEW YORK —DOW JONES

	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24	Oct. 23	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
●Industr'ls	917.75	925.18	932.50	931.74	943.60	939.51	974.57 (22/9)	759.13 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	65.95	66.08	66.03	66.21	66.61	66.59	76.61 (25/6)	63.87 (28/3)	—	—
Transport.	360.87	365.74	365.94	365.14	373.47	373.35	381.08 (22/10)	233.69 (27/3)	381.00 (22/10/80)	12.23 (8/7/32)
Utilities	110.15	111.43	111.83	112.01	112.74	112.93	115.88 (10/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000 s	39,060	37,200	40,500	34,430	41,220	48,590	—	—	—	—

●Day's high 932.51 low 915.02

Ind. div. yield %	Oct. 24	Oct. 17	Oct. 10	Year ago (approx)
	5.71	5.63	5.66	6.16

STANDARD AND POORS

	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24	Oct. 23	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	143.72	145.64	145.60	145.50	147.82	147.30	152.64 (15/10)	111.09 (27/3)	152.64 (15/10/80)	3.52 (30/6/32)
Composite	126.25	127.91	128.05	127.88	128.85	128.63	133.70 (15/10)	98.22 (15.2)	133.70 (15/10/80)	4.40 (1/6/32)

	Oct. 22	Oct. 15	Oct. 8	Year ago (approx)
Ind. div. yield %	4.55	4.44	4.07	5.42
Ind. P/E Ratio	8.86	9.15	9.20	7.57
Long Gov. Bond Yield	12.25	11.80	11.41	10.88

N.Y.S.E. ALL COMMON

Oct. 30	Oct. 29	Oct. 28	Oct. 27	1980 High	1980 Low
72.85	73.80	73.84	73.82	77.34 (15/10)	55.30 (22/4)

Rises and Falls	Oct. 30	Oct. 29	Oct. 28
Issues Traded	1,902	1,888	1,029
Rises	365	671	585
Falls	1,165	788	885
Unchanged	372	420	421
New Highs	28	22	19
New Lows	14	11	17

MONTREAL

	Oct. 30	Oct. 29	Oct. 28	Oct. 27	1980 High	1980 Low
Industrial	365.94	363.74	395.22	391.94	423.00 (29/2)	326.21 (27/3)
Combined	347.21	362.86	368.32	365.65	370.96 (20/10)	288.80 (27/3)
TORONTO Composite	2213.0	2301.4	2321.8	2301.8	2366.5 (20/10)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Caro Power	993,800	16⅞	− ⅛	Sun	469,900	47	−6⅞
S. Juan Royalty	977,400	12⅞	− ⅛	Rowan	458,800	36¼	—
Mobil	938,600	73⅞	− ½	IBM	393,400	65⅞	− ⅛
Nat. Semicond.	696,400	35⅞	−2¼	Atl. Richfield	365,300	59⅞	−1⅞
Gulf Oil	501,700	39⅞	−1⅛	S'nd Royalty Wi	347,300	32⅞	+ ⅛

	Oct. 31	Oct. 30	Oct. 29	Oct. 28	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	1025.71	1013.73	1005.62	1005.58	1025.73 (31/10)	760.00 (2/1)
Metal & Minrls. (1/1/80)	6075.45	6075.75	6777.40	6791.23	7025.52 (20/10)	4501.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	60.59	66.63	60.95	68.01	69.40 (7/1)	65.59 (19/8)
BELGIUM						
Belgian SE (31/12/63)	89.51	89.96	90.55	90.28	106.75 (11/2)	86.08 (31/10)
DENMARK						
Copenhagen SE (1/1/73)	97.27	96.56	96.61	96.78	97.27 (31/10)	74.70 (6/3)
FRANCE						
CAC General (29/12/61)	118.2	118.5	117.3	119.3	119.5 (30/10)	97.1 (3/1)
Ind Tendance (28/12/78)	119.4	119.5	118.9	119.6	119.4 (15/9)	95.6 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	224.74	226.06	226.04	226.71	238.89 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	698.60	703.2	705.1	706.0	749.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	86.4	66.4	66.0	86.1	86.3 (25/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	64.6	64.1	63.0	64.2	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1499.86	1436.30	1451.38	1471.93	1499.86 (31/10)	768.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	183.53	180.12	174.43	172.27	183.53 (31/10)	85.11 (2/1)
JAPAN						
Dow Average (16/5/49)	7130.75	7124.78	7110.53	7066.44	7175.55 (20/10)	6475.63 (27/3)
Tokyo New SE (4/1/68)	496.05	494.69	493.54	481.06	497.88 (20/10)	440.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	123.8	124.24	104.42	123.68	144.70 (14/2)	110.12 (20/3)
SINGAPORE						
Straits Times (1966)	691.3	665.79	681.87	659.21	691.3 (31/10)	429.75 (3/1)
SOUTH AFRICA						
Gold (1958)	—	954.9	984.9	906.0	1026.1 (22/9)	645.5 (2/7)
Industrial (1958)	—	662.3	660.0	646.1	662.3 (30/10)	456.0 (2/1)
SPAIN						
Madrid SE (20/12/79)	109.11	109.25	109.37	109.82	111.17 (16/9)	95.70 (25/6)
SWEDEN						
Jacobson & P. (1/1/58)	387.0	382.69	377.57	374.78	387.0 (31/10)	334.72 (17/1)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	307.0	305.6	304.9	301.6	317.9 (11/2)	270.9 (26/3)
WORLD						
Capital Intl. (1/1/70)	—	156.0	157.5	156.9	161.0 (16/10)	129.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

Swedish shipyard deeper in red

By Westerly Christner in Stockholm

KOCKUMS, the Swedish shipyard which was taken over by the state-owned Svenska Varv group last year, reports a net loss of SKr 362.1m ($85.6m) for the first eight months of the year against a loss of SKr 141.3m a year earlier.

The loss, which is expected to grow to at least SKr 400m for the full year, was attributed by Mr. Christian Christiansson, managing director, to Kockums' inability to compete with more heavily subsidised shipbuilding yards abroad.

During a Press conference yesterday in Malmö headquarters to dampen speculation about Kockums' fate, Mr. Christiansson said that the yard has not been an "effective activity," and that it is not realistic to assume it will become profitable again by the mid-1980s.

This spring, the Swedish Riksdag (Parliament) extended considerable aid to the ailing Svenska Varv shipyard group, of which a large portion went to Kockums, on the stipulation that the yards return to profit by 1985.

During the eight-month period, Kockums received orders for one roll-on/roll-off vessel, two car ferries, two chemical tankers, and one submarine for the Swedish navy. Group sales during the eight months were SKr 362.3m, a substantial improvement from the SKr 78.2m a year earlier.

Its orderbook is full until at least mid-1981, but the question remains whether full employment for its 4,750 employees can be assured after then.

Nissan forecasts lower profits as exports falter

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

NISSAN MOTOR Company, Japan's second largest motor manufacturer, reports a 16.8 per cent increase in its turnover to Y1,546bn ($7.3bn) and a 10 per cent rise in operating profits to Y94.8bn for its first-half, to September 30, compared with the same period last year. After-tax profits were up more sharply by 23 per cent to Y49bn.

Nissan's results reflect booming exports, up 33 per cent to 757,991 units. However, exports are expected to fall in the current half to about 720,000 units as a result of protectionist pressure against Japanese cars in the U.S. and Europe.

As a result, the company is forecasting lower profits in the second half of its current fiscal year. A preliminary estimate is that operating profits may total Y80bn during the six months ending April 30, 1981. Profits for the full 12 months would thus reach Y174bn, down from last year's record level of Y183bn.

Nissan's home market sales in the first half totalled 597,000 units, a fall of 6.3 per cent from the same period of 1979. Domestic sales are expected to recover substantially in the coming three to four months, in response to the reduction in interest rates in Japan, perhaps reaching 620,000 units for the current half.

A revival in home market sales, however, would not fully compensate for the effects of declining exports on operating profits.

Nissan cites the steady rise in the yen exchange rate against the dollar as another reason for declining profitability.

Nissan has raised U.S. prices of its cars eight times in 1980 to take account of the changing exchange rate, but the shifts have failed to keep pace with the actual movement of the foreign exchange market.

● It was reported yesterday that Nissan had chosen a site in Tennessee for a $300m truck manufacturing plant which should begin production for the U.S. market in the autumn of 1983. The plant will produce 10,000 trucks per month and employ 2,200 workers. Roughly 20 per cent of Nissan's exports to the U.S. consist of trucks, all of which are at present shipped directly from Japan.

Pioneer increases bid for Ampol

BY JAMES FORTH IN SYDNEY

PIONEER CONCRETE Services has raised its on-market offer price for shares in Ampol Petroleum from A$1.70 to A$2 a share. This lifts the valuation of Ampol from A$350m to more than dollars A$410m (US$480m).

Pioneer, which held 32 per cent before it announced its on-market move, wants only to increase its stake to between 40 per cent and 45 per cent, but must take all shares offered.

The market offer has been open for three weeks and closes next Thursday.

Pioneer was forced to lift its price because it had attracted only a trickle of shares, partly because Ampol directors had advised shareholders to retain their shares until next week when a statement has been promised recommending the course of action they should take, and partly because speculators betting on a higher bid had held the Ampol price marginally above Pioneer's A$1.70 offer.

The Ampol board responded to the higher bid by continuing to urge holders to retain their shares "at least until a time closer to the end of Pioneer's on-market offer."

The board repeated that an announcement would be made in the financial Press "at the appropriate time next week." After Pioneer announced its higher offer price yesterday morning the market bid the shares up to A$2.08 before closing at A$2.01.

But Pioneer's brokers picked up at A$2 each 1.3m of the 1.4m Ampol shares traded nationally. This represented slightly more than 0.5 per cent of Ampol's capital, indicating that a greater response will be needed next week if Pioneer is to achieve its target.

Finnish TV group closing

BY LANCE KEYWORTH IN HELSINKI

FINNVALCO, the only Finnish manufacturer of colour television tubes, is to be closed down at the end of this year.

It is fully owned by the Finnish state through the engineering, shipbuilding and electronics company, Valmet.

When it started production in August 1978, Finnvalco was called Valco. The Finnish state owned 80 per cent, Hitachi of Japan 10 per cent and Salora, a private Finnish manufacturer of TV sets, the remaining 10 per cent of the FM 50m capital.

Almost a year ago, when the parlous condition of Valco became known following several infusions of capital by the state, Salora and Hitachi pulled out. The Government persuaded Valmet, a successful company, to take over Valco and make a going concern of it.

Valmet undertook the assignment reluctantly.

HK Land in Sydney project

SYDNEY—The Hongkong Land Company has received Foreign Investment Review Board approval for an A$60m (U.S.$70m) residential development in the Sydney city area, Mr. Trevor Bedford, executive director, said.

The complex is to be built by Hongkong Land's wholly-owned Australian subsidiary, the Land Company Pty.

Reuter

Jardine share shuffles lift market

By Our Hong Kong Correspondent

JARDINE MATHESON'S share price shot up more than 20 per cent, by HK$6.25 to HK$36.25, yesterday on the Hong Kong stock market on rumours that Cheung Kong Holdings was about to make a last-ditch takeover offer for the stock.

In the wake of the rumours, the Hang Seng index rose to a seven-year high of 1498.86 with a 62.36 point gain, the largest advance in one day since 1972, and turnover climbed to an all-time record of HK$799.44m (U.S.$160m).

The speculation is that Cheung Kong's chairman, Mr. Li Ka-Shing, is convinced that Jardine and Hongkong Land will continue to swap shares until they are invulnerable, and that he has therefore called on associates to provide contributions for a takeover offer at about HK$45 a share before it is too late. Cheung Kong is a fast-rising ethnic Chinese property group, whereas Jardine and Hongkong Land together form a bastion of the British business establishment.

But many observers remain sceptical about the rumours, and attribute much of the heavy buying of Jardine to Hongkong Land and to speculators who went heavily short on Jardine and were then forced to scramble to cover their commitments. They note that at least 20 per cent of Jardine is in safe hands and that any takeover attempt would be met with forceful counter-measures.

The activity in Jardine shares started on Wednesday when the company announced that it had issued 25m new shares, or about 10 per cent of its capital, to Hongkong Land for HK$30.55 a share, a move that was widely interpreted as yet another defence against takeover threats.

Jardine also announced that the warrants attached to its HK$500m 7½ per cent 1990 loan stock would be converted to ordinary shares on December 31 because of a provision in the loan stock stipulating conversion if the market price of the shares climbed above 50 per cent of the warrant subscription price for 10 consecutive days.

Squeeze on margins hits Aetna Life's third quarter

BY DAVID TONGE IN NEW YORK

AETNA LIFE and Casualty, the largest all-line U.S. insurance company, showed the strains the sector is experiencing yesterday when it reported a 22 per cent cut in third quarter operating profits to $113.9m.

It said that it had been hit by the cyclical squeeze on operating margins, as well as by $10m reinsurance losses which had "surprised it." These losses included claims on liquefied natural gas tankers and computer leasing, though it said its leasing exposure was relatively limited.

Two other companies, American National Insurance and Ohio Casualty, also reported drops in operating profits, down respectively 17 per cent to $16m and 17 per cent to $19.1m.

Aetna said that its third quarter premium income had risen 4.4 per cent to $2.6m. This was considerably below the rate of inflation but excluded many of the gains in the company's fast-growing group insurance sector. Here, volume has risen 170 per cent to $283.3m, but only a portion of those revenues show up in overall premium figures.

In the first nine months, operating profits fell 11 per cent to $423.1m and premium income rose 14 per cent to $88.1bn.

Investment income has been strong, with a 22 per cent growth in the third quarter to $654m, though this is slightly below the 30 per cent increase in the nine months as a whole to $1.95bn.

In the third quarter Aetna realised capital gains of $40.2m making a final net of $154m, compared with a final net of $157.5m a year earlier when there were capital gains of $10.6m.

Mr. John Filer, chairman of Aetna said: "Increased underwriting losses in casualty-property lines together with large and unusual losses in the reinsurance business contributed to lower earnings for the third quarter."

The group has found the relationship between premiums and claims deteriorating in the automobile and housing sectors.

Canadians buy Bache stake

BY IAN HARGREAVES IN NEW YORK

THE STORMY relationship between Bache Halsey Stuart Shields, the large Wall Street securities house, and the Hunt family, has ended, but with an irony which has undone the rationale behind the link in the first place.

In recent weeks, the Hunts, whose role at the centre of the spring collapse in the silver markets caused grave embarrassment to Bache, have announced the sale of their more than 600,000 share stake in Bache.

But the buyer of half of the stake, the Belzberg family of Vancouver, Canada, only came to light yesterday.

It was the Belzbergs' accumulation of Bache stock which precipitated a series of moves by Bache last autumn to secure the company against a possible takeover by the Canadians.

The moves included increasing Bache's authorised common stock, amending voting rules on takeovers and finding a friendly home for some Bache shares.

That friendly home became the Hunt brothers, who bought 6.6 per cent of Bache, increasing their connections with a firm which was already an important channel for the Hunts' investments in the silver market.

This double connection between Bache and the Hunts was the cause of some criticism of Bache at the time the silver markets collapsed, creating financial disaster for the Hunts and, in the opinion of some people, creating grave exposure for Bache.

Earth Resources accepts $350m offer

BY OUR NEW YORK STAFF

ROY M. HUFFINGTON, the privately held Houston oil and gas company, is taking over Earth Resources, the Dallas oil marketing and finance group in a $350m deal announced yesterday.

The two companies said that they had entered into a definitive agreement providing for purchase of Earth Resources shares for $50 per share in cash. The deal reflects the aim of Huffington, which operates a liquefied natural gas operation in Indonesia, to expand downstream.

Earth Resources owns a 43,900 barrel-a-day refinery in Memphis, a 25,000 b/d refinery in Alaska, 236 retail petrol outlets and a fleet of crude oil barges and refined product tank trucks. It also has a majority share in a Delamar, Idaho, silver and gold mine.

Under the terms of the agreement, which has been approved by a majority of the board of Earth Resources and by the board of Huffington, a wholly owned Huffington subsidiary will make a cash tender offer for the outstanding shares of Earth Resources at $50 per share.

COMMODITIES/REVIEW OF THE WEEK

Renewed Soviet crop fears boost sugar

BY OUR COMMODITIES STAFF

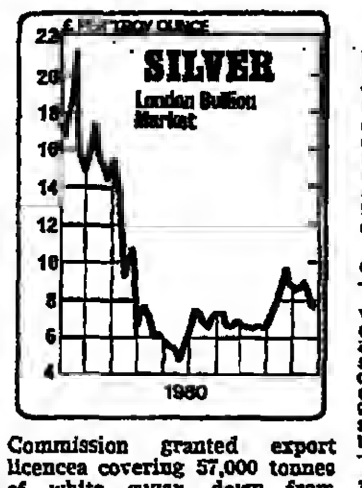
RENEWED FEARS for the Soviet sugar beet crop encouraged a sharp turnround in the world sugar market this week. The recent decline continued until Tuesday when the March position on the London futures market sank to £395 a tonne at one stage. But it then rallied strongly to end the week £7.675 up on balance at £421.325 a tonne.

The upturn came after Western experts in Moscow forecast that Soviet sugar production this year would be only about 7m tonnes compared with 7.29m in 1979. They said the beet crop would be similar to last year's at around 76.2m tonnes but sugar content would be lower because of the lateness of the crop and recent cold weather.

This assessment was backed up by influential sugar statistician F. O. Licht who quoted an admission in Pravda that the Russian crop might be the worst for years. Yesterday beet farmers in the Moscow area were warned that frost over the weekend could reduce sugar content still further.

In Panama City meanwhile the final report from a meeting of GEPLACEA, the association of Latin American and Caribbean sugar exporting countries, forecast that the world sugar price rise would continue till the middle of next year at least in response to an estimated 7.1m tonnes shortfall in 1979-80 world production against consumption. But it said the deficit was likely to fall to about 4.43m tonnes in the 1980-81 season.

At this week's sugar export tender in Brussels the EEC



Commission granted export licences covering 57,000 tonnes of white sugar, down from 64,250 tonnes last week. A higher figure had been generally expected and selling by disappointed speculators set the market back, but only temporarily.

Hopes for the early revival of the International Cocoa Agreement, which expired on March 31, were not greatly enhanced at talks between producing and consuming country representatives in Geneva this week.

Earlier talks failed because the two sides could not agree on the appropriate "floor" level at which to support the market. Prices have since fallen heavily but the producers still seem extremely reluctant to moderate their ambitions. At this week's talks they have actually been pressing for a 120 cents a pound floor, 10 cents higher than some producers indicated they would accept in March. For their part the producers remained determined not to agree to a floor of more than 100 cents, possibly lower if the current decline in the market continues.

Traders' attitude to the talks was indicated by the fact that cocoa futures prices fell to new 4½-year lows this week before rallying yesterday when an £18 rise to11 March cocoa futures in London down £13 on the week at £977.5 a tonne. Dealers saw the rally as a technical reaction against the earlier lows.

On the London Metal Exchange copper prices fell sharply as hopes rose that the U.S. copper strike may soon be over. Only three companies are still strike-bound and the biggest of these, Asarco, is thought likely to settle at talks with unions next week.

After an early rise encouraged by nervousness over political tension in Zambia and a cutback in Peruvian shipments because of a refinery strike (which has since been settled) the U.S. strike picture dominated the market for the rest of the week. By yesterday's close cash copper wirebars were quoted at £832 a tonne, down £27.5 on the week.

Yesterday's £11.75 fall in copper was partly due to the decline in gold and this also led to a modest sell-off in silver. Cash silver on the London bullion market fell 22.4p troy ounce on the day but still ended 3.4p up on the week at 773.9p an ounce.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/010	—	£760/760	£810/816	£760/70
Free Markets c.i.f.	$1590/1005	−40	$1,780/1,800	$2180/2280	$1585/1625
Antimony					
Free Market 99.6%	$3,200/3250	—	$3,180/3,180	$3,435	$3200/3250
Copper Cash Wire Bars	£839	−39.0	£970.5	£1,378	£816.5
3 months Do. Do	£861	−26.75	£980.25	£1,076.0	£834.75
Cash Cathodes	£806	−32.5	£961	£1,316	£785.5
3 months Do	£830	−32.00	£970.5	£1,348.0	£810.5
Gold per oz.	$626.0	−5	$379.75	$850	$473
Lead cash	£340.0	−14.0	£592	£579	£299.5
3 months	£345.70	−24.75	£593	£471.5	£308.70
Nickel	£5,168	—	£3,186.92	£5,477	£5,168
Free Market c.i.f. lb.	280/310c	—	265/280c	315/340	265/295c
Platinum per oz.	£202	—	£161	£302	£189.50
Free Market per oz.	£266.30	+1.6	£239	£464.0	£230
Quicksilver (76lbs.)	$405/410	+0	$305/315	$418/423	$370/380
Silver per oz.	775.90p	+9.4	778.0p	2,165.8p	467.80p
3 months per oz.	804.90p	+4.0	799.0p	2,185.8p	485.9p
Tin cash	£6,685	−180	£7,690	£8,580	£6,685
3 months	£6,747.5	−180	£7,620	£8,380	£6,747.0
Tungsten Ind	$146.21	—	$145.47	$146.21	$137.76
Wolfram (22.04 lb)	$143/147	−3.0	$140/144	$151/154	$123.50/134
Zinc cash	£327.70	−3.275	£355	£400	£282
3 months	£332.5	−3.75	£344.0	£410	£292.20
Producers	$825	—	$780	$825	$780
GRAINS					
Barley					
Home Futures	£97.10	−0.40	£96.65	£101.55	£88.95
Maize					
French No. 3 Yellow (Amer)	‡	—	£110	£122.0	£110.30
WHEAT					
No. 1 Red Spring	‡	—	‡	‡	‡
Am. Hard Winter	£102.50t	—	£108.50	£106	£91.0
Eng. Milling (new crop)	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£4,100y	—	£4,000	£4,175	£2,750
Pepper, white	$2,179y	—	$2,770	$3,095	$2,150
black	$1,625y	—	$1,900	$2,000	$1,575
OILS					
Coconut (Philippines)	$600u	—	$920	$925	$580
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	‡	—	£419	$464	£338
Palm Malayan	$565t	+10	$600	$725	$475
SEEDS					
Copra (Philippines)	$370	+10	$605	610	$355
Soyabeans (U.S.)	‡	—	$283.10	$362	$250.6
OTHER COMMODITIES					
Cocoa Shipment	£1,022	−10	£1,478	£1,546	£986
Cocoa Futures Mar	£977.5	−15	£1,406	£1,510.5	£950.5
Coffee Futures Jan	£1,063.0	−23	£1,802.5	£1,784.5	£994.0
Cotton Index	98.96c	−0.49	79.25c	103.8c	84c
Des. Coconut	£640	—	£700	£740	£640
Jute UA BWC grade	£221y	—	£290	£225	£187
Rubber kilo	60.75p	+2.25	63p	80p	55.50p
Sago Pearl	£200y	—	£219	£210	£204
Sisal No. 3	$720	—	$885	$885	$840
Sugar (Raw)	£390	+7	£166	£405	£164
Tapioca No. 1	£216y	—	£209	£226	£202
Tea (quality) kilo	140p	—	155p	150p	125p
(plain) kilo	55p	+1	69p	73p	55p
Wooltops 64s Warp	287p kilo	+2	289p	308p kilo	278p kilo

‡ Unquoted. (g) Madagascar. (s) Nov. (t) Dec. (o) Oct./Nov. (y) Nov./Dec. (z) Dec./Jan.

BASE METALS

COPPER—Lost further ground on the London Metal Exchange following reports that Asarco are to resume talks with striking copper workers on November 5. Forward metal began the day at £875 but met persistent speculative selling and dropped to £870 ahead of New York markets. In the event Comex opened on a weak note and London fell accordingly to touch a day's low of £860.5 prior to closing the late Kerb at £862.5. Turnover: 25,800 tonnes.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	838.5-9.5	−12.7	831.5-2.0	−11.7
3 months	859-70	−8.75	860.5-1.0	−15.2
Settlem't	839.5	−11.5	—	
Cathodes				
Cash	816-.5	−4.25	806-7	−12.2
3 months	842-3	−9	835-7	−16.7
Settlem't	016.9	−8.5	—	......
U.S. Prod			*33.5-102	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £842, 41, three months £873, 72.5, 72, 71, 70.5, 70, 70.5, 71, 70. Cathodes, cash £816, 17, 16.5, three months £842, 43. Kerb: Wirebars, three months £870, 71, 70.5, 70. Afternoon: Wirebars, three months £863, 63.5, 64, 64.5, 65, 66, 67, 66, 65, 63, 62, 61. Kerb: Wirebars, three months £863, 64, 63.5, 63, 62, 62.5, 62, 63, 62.

TIN—Easier as a fall on the Penang market saw forward metal open lower at £6,740 before bear closing and light, trash buying interest prompted a minor recovery to £6,750. Thereafter the market held steady with forward metal closing the week at £6,742.5. Turnover: 635 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	6690-90	+7.5	6680-90	−30
3 months	6750-55	−22.5	6745-50	−24
Settlem't	6695	+6	—	......
Standard				
Cash	6690-6	+7.5	6680-90	−30
3 months	6750-5	−22.5	6745-50	−24
Settlem't	6690	−35	—	......
Straits E.	$12060	−21	—	......
New York	—	......		

Morning: Standard, cash £6,690, three months £6,750, 55, 50. Kerb: Standard, three months £6,750. Afternoon: Standard, three months £6,750. Kerb: Standard, three months £6,750, 45.

LEAD—Held steady on balance. Forward metal got off to a poor start and dipped from £355 to £350 in the wake of copper. The £350 level encouraged good speculative and trade support, however, and three months rallied to close the late Kerb at £353.5. Turnover: 11,800 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	335-6	−3	340-1	+6
3 months	350.5-1	−4	354.5-5	+.5
S'ment	336	−3	—	......
U.S. Spot	—	......	*42.48	......

Morning: Three months £352, 50, 51, 51.5, 51, 50.5, 51, 50, 50.5. Kerb: three months £351, 50.5, 50. Afternoon: Cash £340, three months £349, 50, 51, 51.5, 53, 53.5, 54, 54.5. Kerb: Three months £354, 53, 53.5, 53.

ZINC—Little changed. Forward metal moved narrowly between £340 and £337 prior to ending the week at £338.5. Turnover: 8,325 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	326.5-7	−2.75	327.5-8	−1.25
3 months	338-9	−2	338-9	−.625
S'ment	327	−3	—	......
Prim w'ts	—	......	*37.5-37.75	—

Morning: Cash £326, 27, 26.5, three months £338, 39.5, 40, 38.5, 37.5, 38. Kerb: Three months £337.5. Afternoon: Three months £337, 38. Kerb: Three months £338, 37, 38.5.

ALUMINIUM—Marginally easier. Reports that Alcan workers have accepted a new 30-month agreement upset sentiment at the outset and forward metal dipped to £666 from £676. However, the market steadied thereafter and three months rallied to close the late Kerb £672.5. Turnover: 8,375 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
	£	£	£	£
Spot	641-2	−16	643-4	−3.5
3 months	669-71	−4.5	670-.5	−4.25

Morning: Three months £671, 72, 70, 69.5. Kerb: Three months £670. Afternoon: Three months £669.5, 70. Kerb: Three months £671, 72, 73.

NICKEL—Down on lack of interest which left forward metal at £2,727.5 on the late Kerb. Turnover: 450 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffic'l	+ or −
Spot	2710-5	+10	2685-90	−25
3 months	2745-50	+10	2725-30	−25

Morning: Three months £2,745. Afternoon: Three months £2,740, 35, 30, 35, 30, 25. Kerb: Three months £2,730.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 22.4p an ounce lower for spot delivery in the London bullion market yesterday, at 773.90p. U.S. equivalents of the fixing level were: spot $19.875, down 57.8c; three-month $18.57, down 57.3c; six-month $20.21, down 61.8c; and 12-month $21.675, down 54.7c. The metal opened at £7.85-£7.93 ($19.15-19.35) and closed at £7.72-£7.80 ($18.80-19.00).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	773.90p	−22.4	778p	−12.5
3 months	804.90p	−22	809p	−14
6 months	832.70p	−24.8	—	......
12 months	893.60p	−21.8	—	......

LME—Turnover 78 (94) lots of 10,000 ozs. Morning: three months 805, 04, 03, 02.5, 02. Kerb: three months 803. Afternoon: three months 801, 03, 04, 08, 06. Kerb: three months 810, 13, 12.5, 10, 08, 07, 05.

COCOA

Cocoa futures were steady throughout the day, during which prices gained £20 as trade and commission houses covered shorts after the recent decline. Physical business was scarce with producers still withdrawn and consumers unwilling to follow the rising prices, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or −	Business Done
Dec.	940-942	+15.5	942-926
March	977-978	+16.0	982-957
May	998-999	+18.0	1001-980
July	1016-18	+19.5	1018-08
Sept	1029-30	+13.0	1036-27
Dec.	1048-50	+8.0	1055-50
March	1071-72	+3.0	1073-71

Sales: 3,771 (1,823) lots of 10 tonnes.

ICO Futures. Daily price for Oct. 30 100.95 (101.37); 10-day average 104.42 (104.09); 15-day average 103.65 (104.75).

COFFEE

Morning session dealings in Robustas were again thin and in a tight range, reports Drexel Burnham Lambert. The afternoon saw a steadier market, volume remained poor, however, and prices soon eased from the highs. Selling continued into the closing call through mixed dealings to finally close lower on balance from Thursday.

COFFEE	Yesterday's Close £ per tonne	+ or −	Business Done
Nov.	1080-83	−9.5	1040-30
January	1063-64	−2.0	1075-64
March	1038-37	−2.0	1045-35
May	1036-40	−1.5	1046-37
July	1045-46	−3.5	1057-45
Sept	1047-52	+1.0	1058-52
Nov.	1046-60	+2.5	—

Sales: 2,189 (2,578) lots of 5 tonnes.

ICO Indicator prices for October 30 (U.S. cents per pound). Other Mild Arabicas 124.00 (124.50). Robustas ICA 1976 124.50 (124.75). ICA 1968 124.75 (125.00). Unwashed Arabicas 206.50 (same). Comp. daily ICA 1968 156.25 (156.42).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 40 tonnes, bringing the total for the week to 914 tonnes, against 1,638 tonnes in the previous week. Few fresh purchases were recorded and the offtake was severely restricted. At the same time interest was again displayed in several varieties from North and South American to African and Middle Eastern growths.

GRAINS

HGCA—Locational ex-farm spot prices. Feed barley: E. Midlands 88.60, N. East 90.40, Scotland 85.20. Other milling wheat: Eastern 99.50. The UK Monetary Coefficient for the week beginning Monday November 3 will decrease to 0.898.

WHEAT M'nth	Yesterday close	+ or −	BARLEY Yesterday close	+ or −
Nov.	98.70	+0.45	92.70	+0.48
Jan.	102.70	+0.60	97.10	+0.25
Mar.	106.65	+0.55	101.05	+0.20
May	110.60	+0.70	104.80	+0.25
July	114.65	+0.55	—	
Sept.	99.50	+0.35	99.00	+0.25

Business done—Wheat: Nov. 98.75-98.25, Jan. 102.75-102.00, March 106.65-105.85, May 110.65-109.95, July 114.65-114.5, Sept. 99.50-99.50. Sales: 181 lots of 100 tonnes. Barley: Nov. 92.65-92.00, Jan. 97.15-96.45, March 101.10-100.40, May 104.80-104.20, July no trade, Sept. 95.00-95.00. Sales: 355 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Oct. unquoted, Nov. 102.50, Dec. 104.50 transhipment east coast. U.S. Hard Winter 13½ per cent Dec. 102.50 transhipment east coast. Maize: French Nov. 119.75, Dec. 119.75 east coast. S. African Yellow Nov./Dec. 86.50. Rest unquoted.

RUBBER

The London physical market opened steadier, with little interest throughout the day, closing slightly easier. Lewis and Peat reported an fob November price for No. 1 RSS in Kuala Lumpur of 301.5 (299) cents a kilo and SMR at 246.5 (245).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Dec.	62.50-62.50	62.50-62.70	62.50-62.40
Jan.	[illegible]	[illegible]	—
Jan-Mar	64.50-64.60	64.50-64.40	65.00-64.50
Apr-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	71.50-71.60	71.50-71.60	71.71-71.40
Oct-Dec	74.40-74.50	74.20-74.50	74.70-74.56
Jan-Mar	77.50-77.40	77.10-77.20	77.60-77.30
Apl-Jne	[illegible]	[illegible]	[illegible]
Jly-Sept	[illegible]	[illegible]	—

Sales: 412 (562) at 15 tonnes, 2 (30) at 5 tonnes. Physical closing prices (buyer) were: Spot 60.75p (60.50p), Dec. 62.60p (same), Jan. 63.50p (same).

SOYABEAN MEAL

The London market opened with losses of £4 on long liquidation, reports T. G. Roddick, and closed with losses of 50p—£2 on the day.

	Yest'rday Close £ per tonne	+ or −	Business Done
December	147.50-47.6	+0.05	147.50-45.00
February	152.10-52.5	−1.75	154.00-50.00
April	154.10-54.5	−1.15	154.50-52.50
June	156.10-56.5	−1.0	156.50-53.40
August	152.10-52.4	−2.0	152.50-51.50
October	135.50-55.5	−0.55	135.50-55.50
December	152.50-55.0	−1.0	—

Sales: 375 (273) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £390.00 (£377.00) a tonne cif for Oct.-Nov.-Dec. shipments. White sugar daily price was £387.00 (£378.00).

Prices were contained within a £3 range throughout the day in active trading conditions, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdays Close £ per tonne	Previous Close	Business Done
Jan.	412.50-15.05	404.00-05.50	416.50-09.00
Mch.	421.25-21.40	415.50-15.75	423.25-12.75
May	419.50-20.00	412.25-12.50	421.50-09.75
Aug.	388.25-38.50	381.00-82.00	388.50-81.00
Oct.	366.50-67.00	358.00-59.75	367.50-60.00
Jan.	337.00-38.00	331.00-32.00	338.00-31.00
March	327.00-28.00	322.50-24.00	328.00-24.00

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £493.50 (£491.00) for export.

International Sugar Agreement (U.S. cents per pound, fob and stowed Caribbean port). Prices for Oct. 30. Daily price 39.87 (39.70). 15-day average 40.81 (40.68).

Sales: 11,533 (9,836) lots of 50 tonnes.

Number 2 contract: Expired.

*

GRIMSBY FISH—Supply poor, demand good. Prices at ship's side (unprocessed) per stone Shelf cod £5.60-£6.60, codlings £4.00-£5.00. Shelf haddock £3.70-£5.20, medium £3.20-£4.00, small £2.00-£3.40. Best small plaice £3.40-£5.70. Skinned dogfish (large) £9.00-£10.00, (medium) £4.50-£5.00. Lemon soles (large) £9.50, (medium) £7.50. Rockfish £1.90-£3.00. Saithe £2.90-£3.60.

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Oct. expired, Dec. 357, 366, nil, nil; Jan. 360, 363, 361, 4; March 367, 371, 368-368, 3; May 368, 372, nil, nil; Aug. 374, 375, nil, nil; Oct. 377, 383, nil, nil; Dec. 380, 385, nil, nil; Jan. 381, 395, nil, nil; March 384, 388, nil, nil. Sales: 7.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. Dec. 467.0, 467.5, 468.0-466.0, 114; March 490.5, 491.0, 492.0-490.0, 99; May 503.5, 504.0, 504.5-502.5, 138; July 515.5, 516.0, 516.0-513.0, 137; Oct. 514.0, 515.0, 519.0-514.0, 18; Dec. 518.0, 520.0, 518.5-514.0, 31; March 522.0, 524.0, 522.0-518.0, 18. Sales: 553.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on October 31. GB—Cattle 70.20p per kg lw (+2.31). UK—Sheep 92.68p per kg est dcw (−7.82). GB—Pigs 70.55p per kg lw (−2.29).

COVENT GARDEN—Prices in sterling per package, except where otherwise stated: Imported Produce: Oranges—Spanie: Navelinas: 48/64/80 6.60, 70/80 5.30-5.40, 90 5.00-5.20, 100/110 4.80, 120/150 4.20-4.40; Outspan: Valencia Lates 48 5.40, 56, 5.75, 72 5.85, 88 4.65, 112 4.70, 138 4.55, 150 4.40; Brazilian: 72/138 3.50-3.60. Lemons—Spania: trays 25/45 2.40-3.00; Turkish: 10 kg 4.00-4.80; Cypriot: 10 kg 4.80-5.50. Grapefruit—Cypriot: 36/42/48/64 4.00-4.50; Cuban: 4.00-4.20; Jaffa: 15 kg 36 6.35, 42, 5.25, 48 4.90, 60 4.60, 70 4.30; Dominican: 3.60-5.00. Satsumas—Spania: 210/195/189 2.70-2.80, 168 2.90-3.00, 154 3.00-3.20, 144 3.30-3.40, 126 3.60-3.70, 105 3.60-3.80. Apples—French: Starkcrimson large boxes 3.60, 4.30, Golden Delicious approx. 20 lb, 72 1.80-2.30, 84 1.50-1.80; 40 lb 125/163 3.00-4.20, Granny Smith 20 lb 72 2.10, 84 1.50-1.60; Greek: Starking 150 4.50; Dutch: Cox's Orange Pippins per pound 0.09; Belgian: Golden Delicious 65/70 28 lb 1.80. Pears—Italian: per pound Williams 0.14-0.17, Beurre Hardy 0.13, Passacrassana 0.13-0.14; Dutch: Conference 0.11-0.12; Belgian: 0.07-0.08.

AMERICAN MARKETS

NEW YORK, October 31.

PRECIOUS METALS declined sharply as the probability increased of having the hostages released. Copper declined in sympathy. Profit-taking moved sugar prices lower. Coffee drifted lower on dealer and local selling. Technical buying provided strength in cocoa with good gains on the close. Cotton was higher. Grains and soyabeans were higher on shortcovering ahead of the weekend. The livestock complex ran into heavy selling, closing with major losses, reported Heinold.

Copper—Nov. 92.95 (94.95), Dec. 93.70-94.00 (95.95), Jan. 94.80, March 96.30-96.90, May 97.90-98.40, July 99.80, Sept. 101.10, Dec. 103.35, Jan. 104.15, March 105.75, May 107.35, July 108.95, Sept. 110.55. Sales: 8,700.

Potatoes (round whites)—Nov. 87.0-87.8 (86.8), March 122.5-123.9 (123.2), April 147.1-148.0. Sales: 2,245.

Sugar—No. 11: Jan. 42.40-42.70 (42.80), March 43.30-43.40 (43.72), May 43.10-43.25, July 42.30-42.35, Sept. 39.20-39.35, Oct. 37.50-37.70, Jan. 33.51-34.19, March 33.10-33.20. Sales: 12,268.

Tin — 753.0-758.0 (753.0-762.0).

CHICAGO, October 31.

Lard—Chicago loose 23.00 (same).

Live Cattle—Dec. 69.12-69.30 (69.60), Jan. 70.40 (70.75), Feb. 71.45-71.35, April 73.25-73.35, June 74.40-73.35, Aug. 73.95, Oct. 73.40, Dec. 74.90.

Live Hogs—Dec. 40.00-49.85 (51.27), Feb. 54.20-54.35 (55.50), April 54.30-54.15, June 57.75-57.80, July 58.65-58.70, Aug. 57.30, Oct. 55.92, Dec. 57.10, Feb. —.

‡‡Maize — Dec. 374-373¾ (374½), March 383½-383 (384½), May 385¾-385½, July 382½-7382, Sept. 368-367½, Dec. 351½-351.

Pork Bellies—Feb. 69.50-69.90 (71.40), March 69.60-70.00 (71.40), May 71.25-71.15, July 72.80, Aug. 71.90.

‖ Soyabean Meal—Dec. 278.4-279.0 (274.7), Jan. 283.0-283.5 (279.7), March 287.5-288.0, May 289.0-291.5, July 290.5-290.0, Aug. 279.0-280.0, Sept. 257.5, Oct. 241.1-241.5, Dec. 240.0-240.5, Jan. —.

Soyabean Oil — Dec. 26.75-26.70 (26.73), Jan. 27.15-27.10 (27.15), March 27.90-27.85, May 28.30-28.25, July 28.80, Aug. 28.45, Sept. 27.80, Oct. 26.60, Dec. 26.75, Jan. —.

†Wheat—Dec. 529-528 (532½), March 549½-550 (552¼), May 554½-554, July 534-532, Sept. 540, Dec. 553.

WINNIPEG, October 31. §Barley—Oct. 143.90 (144.00), Dec. 145.90 (148.10), March 148.60, May 149.30, July 149.00.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

Thursday's Closing Prices

NEW YORK, Oct. 30.

††Cocoa—Dec. 2090 (2058), March 2170 (2140), May 2220, July 2270, Sept. 2314, Dec. 2368, March —. Sales: 2,182.

Coffee—"C" Contract: Dec. 125.25-125.45 (125.05), March 127.60 (127.72), May 129.00-129.25, July 130.00, Sept. 131.00, Dec. 132.00, March 133.00. Sales: 855.

Cotton—No. 2: Dec. 89.85-88.95 (90.12), March 89.70-89.75 (91.02), May 89.71-89.90, July 89.56, Oct. 85.50-86.00, Dec. 83.00-83.20, March 83.50-84.00, May —. Sales: 10,500.

*Gold—Nov. 640.7 (638.0), Dec. 646.8-648.0 (645.0), Jan. 656.2, Feb. 664.7-665.5, April 682.8, June 701.0, Aug. 719.6, Oct. 738.4, Dec. 757.4, Feb. 776.7, April 796.2, June 815.9, Aug. 835.9. Sales: 33,000.

Orange Juice—Nov. 89.90-90.10 (90.35), Jan. 92.25-92.30 (92.55), March 93.90, May 94.70-94.75, July 95.70-95.80, Sept. 96.50-96.75, Nov. 97.30-97.50, Jan. 97.80-98.20, March 98.40-98.60. Sales: 400.

¶Silver—Nov. 1929.0 (1920.0), Dec. 1947.0-1955.0 (1943.0), Jan. 1975.0, March 2023.0-2035.0, May 2084.5, July 2138.5, Sept. 2192.5, Dec. 2276.5, Jan. 2303.5, March 2357.5, May 2411.5, July 2465.5, Sept. 2519.5. Sales: 3,500. Handy and Harman bullion spot 1934.0 (1925.0).

CHICAGO, October 30.

Chicago Imm Gold—Nov. 641.5 (641.5), Dec. 646.5-647.5 (645.5), Jan. 655.3, March 672.0-672.5, April 680.7, June 700.0-699.5, July 708.4, Sept. 727.7, Oct. 735.7.

WINNIPEG, October 30.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 286.61 (287.46).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

INDICES

FINANCIAL TIMES

Oct. 30	Oct. 29	M'nth ago	Year ago
274.46	274.77	273.32	290.26

(Base: July 1, 1952=100)

MOODY'S

Oct. 30	Oct. 29	M'nth ago	Year ago
1324.5	1326.1	1012.2	1156.6

(December 31, 1931=100)

DOW JONES

Dow Jones	Oct. 30	Oct. 29	Month ago	Year ago
Spot	479.87	480.78	457.51	411.69
F'tur's	499.18	500.43	479.38	421.08

(Average 1924-25-26=100)

REUTERS

Oct. 31	Oct. 30	M'nth ago	Year ago
1749.4	1746.6	1739.5	1687.1

Base: September 18, 1931=100

BOOKS

Bad girl

BY RACHEL BILLINGTON

Fanny—being the True History of the adventures of Fanny Hackabout-Jones
by Erica Jong.
Granada, £6.95. 496 pages

Erica Jong on women: "Men need them so badly and are so terrified of losing them that they have used their power to imprison them."

Fanny Hackabout-Jones on women:

"I account my Whoring more honest than the Common State of Matrimony, where the wife is sold to her husband in exchange for Land to be added to her Father's Holdings and reaps the Benefit of High Life from the Rental of her flesh in the Merchant's Shop of the Matrimonial Bed!"

Erica Jong on *Fanny*:

"... above all it is intended as a novel about a woman's life and development in a time when women suffered far greater oppression than they do today."

Ms. Jong wants us to take her latest offering with the utmost seriousness. In an Afterword she explains that she had the idea for writing a mock 18th century novel when she was studying the period for a Master's thesis. As a student she had already composed a novella in the style of Henry Fielding. It was therefore, as much in the role of mature graduate as best-selling author that she attempted this rewrite of the story of Fanny Hill. Her sources are documented, libraries listed, her thanks recorded to J. H. Plumb for checking the finished text "for solecisms and anachronisms." Only the most stern reader would remain unimpressed.

Yet what has she actually produced? Nearly 500 pages of coarse fantasy. No humour, no insight into character, no believable plot, not a grain of truth nor a shadow of beauty. In short, it would be best forgotten. Unfortunately this cannot happen with an author whose *Fear of Flying* was one of the 10 largest selling books of the 1970s. And perhaps, indeed, though the book itself should be burnt or proscribed or, more effective than either, merely dubbed a bore, the reason for writing it may be worth discussion.

First, it is possible to imagine that it must have been fun to research and write. The written language of the 18th century is well caught, the spelling, capitals and hyphens, giving the work an amusing appearance on the page. (In case there should be confusion, this amusement never spreads to the subject matter of the words.) Secondly, it is always tempting to recreate historical characters, in this case Swift, Pope, Hogarth to name but a few, and to give them a spurious fictional existence. Thirdly, and most important, the holder of a single thesis, in Ms. Jong's case, Feminism, must be attracted by finding an original vehicle for her over-worked theme. If the vehicle is already in existence, then so much the better. The game of fitting new on to old is one indication that an author is running low on her own creative ideas.

Indeed it may well be that, whether Ms. Jong is conscious of it or not, *Fanny* expresses her inability to draw any further inspiration from Feminism, at least the narrow, angry sort. In an essay on women writers, already quoted at the beginning of this review, Ms. Jong makes a plea for women writers to free themselves from the kind of Feminism that will eventually lead them into a straitjacket. She goes as far as to say, "I would not mind envisioning a world in which my daughter were free nor (sic) to be a feminist." Strong words, even traitorous to some, from such as she.

Let us be charitable, therefore, and assume that the mindless vulgarity, violence and depravity of *Fanny* merely expresses Ms. Jong's cry for help. Let me out of this straitjacket! In fact, among all the welter of masks, manacles, dildoes and deaths, a gleam of hope surfaces on about page 300. In brief, Fanny has a baby. And although the manner is horrible, the people concerned in its birth both nauseating and unconvincing, it does, nevertheless, call forth the only convincing moment of love in the book. A gleam of hope, reinforced (or merely explained?) by Ms. Jong in her Afterword with the information that she herself gave birth between pages 281 and 282.

Finally, it seems incredible that no editor, publisher, agent, husband or friend ever questioned the basic principle on which this book is based, that the telling of a mock 18th century story of one woman's wrongdoings by man should throw light on women's position today. Particularly when that woman's adventures are entirely sexual. The only lesson it teaches is that graduate dreams should be kept that way—most of all those of highly successful authors.

Charles Laughton as Prospero with his wife Elsa Lanchester as Ariel—one of the plates in "The Entertainers" edited by Clive Unger-Hamilton, an illustrated encyclopedia covering all aspects of theatre and show business (Pitman House £9.95)

Defending Nixon now

BY DAVID BELL

Nixon: A Study in Extremes of Fortune
by Lord Longford. Weidenfeld & Nicolson, £8.95. 205 pages

Lord Longford is a kind man, with a soft spot for sinners who repent—or almost do in the case of Richard Nixon, the subject of this new book.

All the better if the sinner can be shown to have been more sinned against than sinning. For Lord Longford's theme—in this ill-researched, slight biography—is that Nixon was singled out by malevolent opponents for unjustified special attack from his earliest days in politics.

Nixon's fervent prosecution of Hiss, his maudlin Checkers speech, his "unhappy" support for MacCarthy and much more, says Lord Longford, have been twisted into an unfair attack on the former President. No wonder that Nixon concluded, early on, that "in politics most people are your friends only as long as you can do something for them or something to them." If Nixon decided on "jungle warfare," says Longford, who can really blame him? Who among us, or among his American political rivals, can cast the first stone?

Well, it's a point of view. It would be more plausible—just—if it were buttressed by a much more thorough examination of the man particularly in the period 1948-68 (the bibliography gives only one book published before 1974 except for the T. H. White *Making of a President* series).

For example, Nixon's 1968 election campaign was one of the most phoney in U.S. history. The candidate was carefully programmed so that even the "spontaneous" studio discussions with "real voters" were scripted in advance. Lord Longford devotes scarcely a page to this campaign—so tellingly chronicled in that marvellous book *The Selling of the President, 1968*—yet it gave a forbidding glimpse of the ugly side of Nixon, the side which has always believed that anything goes.

Certainly, as Lord Longford says, it is a tragedy that this Nixon in the end eclipsed the other Nixons—the kind family man, the capable statesman, the shrewd judge of the American mood. But Lord Longford's uncharacteristically superficial kind of revisionism is a poor substitute for a real examination of why—and how—the bad Nixon drove out the good.

The analysis of Watergate is particularly preposterous. He swallows Nixon's assertion that he knew nothing of the original break-in. Well, perhaps he didn't. But as he shows the cover-up gathering pace, Lord Longford is reduced to playing with words. There is the distinction between a "legal and an illegal cover-up." The former President went "to the limits of legality." Well, yes, he was a lawyer. But then, says Lord Longford, he was not a criminal one, so perhaps he did not quite understand the nuances of the obstruction of justice statutes.

Anyway, Lord Longford concludes, even if he did break the law he behaved no worse than some of his predecessors.

There is some truth in some of this. But not much. Anyone who lived in America in the first term of the Nixon Presidency, long before anyone had ever heard of Watergate, will remember the sheer meanness of the Administration, the deliberate raising of the temperature by Vice-President Agnew, the Administration's paranoia about the opponents of the war, the impromptu support for what happened at My Lai.

Of course these were very difficult times and Nixon did accomplish a great deal. His international experience made him fairly surefooted in the Middle East and in his dealings with China and Russia. It was less effective in South-East Asia. But then, says Lord Longford, criticism of such things as the invasion of Cambodia is somewhat unfair because "after all the whole purpose of Nixon's policy was to save the world, including the people of South-East Asia, from the advance of Communism."

Yet anyone who has read the transcript of the infamous White House tapes—which Lord Longford appears not to have done—can feel the meanness of the "jungle warfare" Nixon.

History will probably judge Nixon more kindly. Lord Longford is at least good-spirited in his attempt to repaint the Nixon portrait. Unfortunately the paint dried a long time ago. It can be retouched, here and there. Perhaps, underneath, there are the outlines of what might have been a more attractive picture. Some of it might even have been rather flattering. For now, though, the canvas still seems forbidding, enigmatic and not a little pathetic. And—yes—tragic.

Young man's blues

BY ROBERT COTTRELL

Personal Copy: A Memoir of the Sixties
by Ray Gosling. Faber & Faber. £7.95. 223 pages

The other "sixties," that is. The ones that happened in provincial coffee bars and Soho pubs, rather than West Country farmhouses and the streets of Notting Hill Gate. Those sixties ran out of steam slightly before the middle of the decade, true to the post-war youth cycle which has counterpointed the decades on the calendar. Only then did the years give way to the sixties which are such powerful medicine to the young-and-middling of these days, and which in turn died when their cultural politics began once more to seem like a luxury which could no longer be afforded.

There is a measure of those latter years in Ray Gosling's book. But when they were in full flower, he had transported himself to fight for a human dimension to the bureaucratic urban renewal of a Nottingham slum, a fight whose story takes up the final third of *Personal Copy*.

Gosling's account has something of the spirit, though not the style, of the American "beat" writers, more interested in people than politics and in travelling than getting there. But his England is a claustrophobic place, in which aggression and optimism turns all too quickly into sadness and loss. There is often the thrill of the social and political chase, to establish a youth club, stand for council, move among the radical left, but seen with the hindsight of yet another decade.

Personal Copy is not a work of great social insight, since the more something concerns Gosling, the more it seems to confuse him. By the time he has spent several years and 70 pages trying to humanise the slum-clearers of Nottingham, even he seems unsure of what it was all *for*. His conclusion is that it was "for the gratification of my own principles and my own amusement as much as anybody's good," which seems, it should be said, rather less than fair on himself.

Goslings' strength is an authenticity and unpretentiousness which makes him a more honest and useful writer than most others who seek to interpret the lives of workers north of Watford for the benefit of the hardback-reading-public. His work has a cumulative quality to which this book is a useful addition. It is, however, a very uneven work, explained at least in part by numerous acknowledgments to publications in which its elements have made earlier appearances. The feel of a series of essays with chronology filling the gaps is never overcome.

Among the other half

BY GEORGE MALCOLM THOMSON

Peregrinations: selected pieces
by Peregrine Worsthorne. Weidenfeld and Nicolson, £9.95. 277 pages

If a tall, upper-class stranger enters into a serious discussion with you about The State of the World and suchlike topics, do not move abruptly away from him: he is not trying to borrow a fiver. He is probably Peregrine Worsthorne, the heavy end of the *Sunday Telegraph*. And he really does want to know, for professional reasons, what you and I think about the state of the etc., and that sort of thing. And he thinks you and I could tell him.

Peregrine Worsthorne? An unusual name, as Evelyn Waugh remarked when he met him ("a civil young man"). Worsthorne explained that originally his name was Koch de Gooreynd but his father had changed it for political reasons. "He called my brother Towneley." "Like the Towneley marbles?" said Waugh. "Yes, he owns them," said Worsthorne. Game set and match.

Having cleared up the confusion about who Worsthorne is and why, let us go on to consider *what* he is.

He is a journalist who is sent out by his newspaper from time to time to survey the strange world outside Fleet Street and bring back findings to his proprietor of what is going on there and what we, its inhabitants, are thinking. He is, in short, a one-man poll of private opinion, a warm and friendly inquirer who himself has strong views.

He is a Tory, who was one before Toryism had become acceptable to the intelligentsia. When Paul Johnson was spelling out the first sentence of *Das Kapital* at his mother's knee, and Kingsley Amis was leading Swansea workers in "The Red Flag," Worsthorne was already invincibly persuaded that Toryism was OK.

Isaac Foot used to say that one could always tell where a man would stand on public questions if one knew on which side he would have been at the battle of Marston Moor. There is no doubt on which side Worsthorne would have been on that occasion. The losers.

So he returns from going to and fro in the earth and walking up and down in it, bringing with him a whole bundle of impressions. In Scotland, at the height of the Great Nationalist Scare, he met a cross-section of the population, i.e., two dukes (giving Roxburghe a miss) and Sir Iain Moncrieffe of that Ilk, in addition to trade union officials, politicians and so forth. He ate porridge (alas, with sugar!) and came away sceptical of the strength of the nationalist appeal. In that, he was proved to be right.

From Australia, justly famous for its "democratic" manners, he reports an important change: 15 years ago a famous physicist who asked the hotel porter to carry his bags, was told, "Why not carry them yourself? You look big enough." But, during Worsthorne's visit, a taxi driver opened the door for him and a porter called him "Sir." Immigrant influence? Anyhow, there it is. Change and decay in all around we see.

He records a second surprise: "I suddenly realised that I have not seen a single policeman since arriving in Australia—possibly this is something to do with the convict origins of the country." A thought which will be remembered against him in the Melbourne Club. In Australia, Friday is known as Poet's Day: Piss off Early. Tomorrow's Saturday.

Few Australian Aborigines work; they don't need to, they live well on unemployment benefits. This discovery prompts a philosophical mood in Worsthorne: "A superior culture can count no greater cruelty than to kill by kindness, which deprives its victims of even the small dignity of hatred."

In California he is at his best: all the girls are beautiful; each suburban mansion is like Chatsworth, with the Rolls-Royce purring amiably in the driveway. Resisting an invitation to meet some cheerful prostitutes, he calls on Governor Reagan who looks much younger than his years and is "impeccably dressed—black trousers which match his jet-black hair (dyed), a white silk shirt." He offers to fix drinks but otherwise reminds Worsthorne of Alec Home: "the same air of unassuming authority."

Scouring Britain for the Jubilee, Worsthorne, naturally visits Longleat: Bath is on the front steps, signing brochures at 50p a go; his heir, Weymouth, wears no shoes and eats his meal with his fingers; in his bedroom are erotic murals; Weymouth is passionately dedicated to Wessex nationalism.

Arthur Scargill, another political maverick, turns out to be rather a disappointment: he talks in private exactly as he talks on the telly. Sad.

Reading Worsthorne's selection of reprinted articles is like touring the global looney bin with a lively minded and privileged attendant. We have met some of the more interesting inmates, have viewed them through a sharp but amiable eye and we are conscious all the time that we are becoming acquainted with the writer's own ideas which are, disarmingly, those of a Tory paternalist. He believes that a ruling class has a responsibility for the less fortunate in society which it cannot abdicate to market forces. For that reason he thinks "the new (Thatcherite) Tory Party may prove more dangerously radical than the old Labour Party."

Mrs. Thatcher's "splendidly Trollopean" Cabinet is composed of persons who have done well under Socialism, "Let them think twice before talking about cleaning the Augean stables."

Voices across the lake

BY MARTIN SEYMOUR-SMITH

Loon Lake
by E. L. Doctorow. Macmillan, £6.95. 258 pages

A Quest of Love
by Jacquetta Hawkes. Chatto and Windus, £6.50. 220 pages

The Past
by Neil Jordan, Cape, £6.50. 232 pages

From May to October
by Jennifer Lash. Hamish Hamilton, £6.95. 216 pages

E. L. Doctorow's *Ragtime* was over-promoted, oversold—which put reviewers into an awkward position. In the event the majority decided to attack it. This was a response to the bizarre publicity given to it, perhaps, rather than to its intrinsic merits. I think that without the publicity it would have been largely ignored. What can we say about *Loon Lake*?

It is the story of a wild young man in the time of the Great Depression (not this one, but the last, of the 1930s). This man comes to Loon Lake, the "wilderness estate" of a tycoon. It is inhabited by predictable characters: a drunken poet with a big heart (God spare us any more of that), a gangster (you don't say!), and most bewilderingly original of all, a lovely but difficult young girl.

The ingredients come out of low-brow fiction, and the mushy prose style is presumably supposed to transform them. *Loon Lake* is neo-picaresque, a vein which at least for ordinarily equipped novelists such as this one is entirely exhausted. "Later in our bed I was so huge with love for her it was a kind of mourning sound I made, plunged into my companion." What *can* one say?

The same author's *Welcome To Hard Times* which no one had heard of before 1975 when *Ragtime* erupted, is a perfectly competent novel. E. L. Doctorow is, or was, capable of writing perfectly competent novels, and even of improving on them. Why, then, did not his editor send back the script of *Loon Lake* to him and suggest that he do it over again, with some attention to the avoidance of cliché, to the habit of perpetrating modernistic tricks for their own sake and for no other reason, and to the excision of all banal dialogue? I do not suggest he should have told him to throw it away.

Jacquetta Hawkes' *A Quest of Love*, which is not so much a novel as an autobiography cast in the form of a series of "memories" of previous incarnations (the first is at the dawn of human consciousness) of the narrator—who ends up as Mrs. J. B. Priestley—is a curious and baffling mixture. It consists, on the one hand, of a number of hugely embarrassing "poetical" passages about "femininity" (not femininity); on the other, of painfully candid, affecting and certainly courageous declarations of feeling. The author tells us of her sexual experiences with a disarming frankness: of her marriage to the archaeologist Christopher Hawkes and of her subsequent disillusionment, of her affair with Walter de la Mare, of her temporary affair with a woman, and of her final discovery of perfection with J. B. Priestley. The flavour of the autobiographical part of the book is well illustrated by its end:

"Nowadays Jack keeps the malacca stick I gave him long ago and the huge beret we bought in Bordeaux lying together on a chair in readiness for an afternoon walk. I have only to look at these two dear objects for my heart to turn over."

Jacquetta Hawkes: disarming frankness

It is easy to make fun of such writing; but *The Quest of Love* suggests that we ought not to. However, the "fictional" side of the book seems to me to be a total failure: it would have been better as straight autobiography.

The Past is the first novel of a 30-year-old Irishman whose collection of short stories *Night in Tunisia* won last year's Guardian fiction prize. It is very much an Irish novel, and not the least because its main theme is a son's quest for the truth about his parenthood. (Who your parents are, wedlock — and that kind of thing — still counts for a bit in Ireland.) The writing is highly impressionistic, owing a great deal to George Moore's "themeless" narrative; the author's quest is for the Irish past as it illuminates the enigmatic and violent present; the tone is lyrical.

It is good to see a writer following his own nose, and heartening to find one willing to be so influenced by Moore — a great man whose extreme foolishness, the result of irony becoming desperate, no longer provides an excuse for us to ignore his enormous wisdom and humour. Neil Jordan's The *Past* tells us much about the present and is recommended to those interested in unobtrusive excellence.

Jennifer Lash's fourth novel is a study of an English family and its capacity to survive crisis. It is an attempt at an exercise in lucidity and simplicity: in trying to rescue solid goodness from evil chaos. It does not quite come off, for much of the simplicity is plain cosy sentimentality and cosy sentimentality is, however pleasant, meaningless. The situation is not entirely resolved: rather, the author suddenly inserts what she arbitrarily takes to be a set of values into her narrative.

The difficulty is that this set of values amounts to no more than a moralistic hopefulness, not unattractive in itself, but not adequate to deal with the very exigencies the author has herself introduced. But the ability to evoke place (West Country) and, sometimes, character, is often evident.

Agatha A to Z

The Agatha Christie Who's Who, compiled by Randall Toye. Muller, £5.95. 264 pages

Are many people going to have to look up Rex Fortescue or the Countess Vera Rossakoff? Probably not, but for Agathians this will be an ideal browsing volume. Pick it up, open it anywhere, and the reminiscences of happy reading flood out. Remember Rosamund Darnley (the smart dressmaker in *Evil Under the Sun*)? And the Protheroes (of St. Mary Mead, in *Murder of the Vicarage*)? And hundreds of others. Mr. Toye has got them all here, in alphabetical, readable order, with references to the books in which they appear. Of course, there are also Poirot and Miss Marple and Tuppence and Tommy, with longer entries. Useful bibliography and appendices. And—on a separate card, inserted in the volume—a fiendish Christie crossword puzzle (your reviewer did terribly), obviously devised by one of the Big Four (see eponymous volume).

WILLIAM WEAVER

CRA head backs share for Australia

BY PATRICIA NEWBY IN MELBOURNE

FOREIGN investors should accept rather than fight the Australian requirement for 50 per cent local ownership of projects involving natural resources, Sir Roderick Carnegie said in Melbourne yesterday.

Sir Roderick, the Australian-born chairman of the mining giant CRA, was delivering the concluding address to the Financial Times conference on "Australia—the Attractions for Future Investment."

It was better for foreign companies to accept 50 per cent of the expanding cake that would result with community support than to try to get a larger share and risk a political backlash against foreign investors, he said.

It was important that Australians achieve a greater stake in their own resources if attitudes on matters such as industrial relations and profits were to change.

"Large investment requires large profits—it's a fact of life," Sir Roderick said. But Stock Exchanges and business had done an "abysmal job" in exploiting this relationship to the public, which still saw profits as sinful.

He said, however, that just because Australia wanted a half share in development and greater Australian control of development companies, this did not mean there were no longer substantial and exciting opportunities for foreign investors.

Mr. Chris Hurford, the Labor Opposition spokesman on industry and commerce, told the conference he wanted to dispel erroneous views that the Labor Party was against development.

Mr. Hurford said Labor favoured a growth rate above the 3 per cent a year pursued by Mr. Malcolm Fraser's coalition Government. It was only through growth that the country could create new jobs, raise living standards and provide benefits such as shorter working hours and earlier retirement.

Mr. James Berliner, vice-president of the New York-based Morgan Guaranty Trust Company, said Australia would remain an attractive market for lenders of development finance. The country had natural resources, energy for processing; skilled labour capable of servicing and replacing equipment, political stability and fewer infrastructure problems than some other resource-rich areas such as Brazil's Amazon.

Mr. Raymund Kathe, senior vice-president of Citibank and senior corporate officer for Asia, based in Tokyo, said Australia's geographic position on the fringe of Asia could not be more advantageous as a stimulus to economic growth.

Mr. Kathe told the conference forum that although Japan complained about Australia's industrial relations and the imbalance of trade in Australia's favour, Japan needed Australia. The complementary nature of the two economies ensured, in spite of the rhetoric about diversifying markets, that Japan would almost certainly remain dependent on Australia for 40 to 50 per cent of its coal for the next decade.

Dr. Harold Bell, economic adviser to the Australian Mutual Provident Society (AMP), a major investor in Australian stock markets, said foreign investors should consider Australia as a possible investment base in the Pacific basin.

Australia had favourable external relations with the area, partly because it had never been a colonial power and its immigration policies were now not discriminatory. Domestically Australia's political stability and economic soundness made it a desirable investment base.

Mr. Paul Espie, managing director of the merchant bank BA Australia, told the conference that the most acute dilemma for Australia in the 80s would be between the aspiration for local ownership and economic growth.

Estimates of local equity capital requirement over the next five years were around A$1.25bn, not counting investment in projects worth less than A$5m.

Mr. Espie said reliance on institutions such as pension funds for the bulk of Australian equity was not as desirable as widely distributing shareholdings throughout the community, not least among employees of Australian companies.

Mr. Mark Johnson, chief executive of Australia's new bank, Australian Bank, which was launched earlier this week, blamed taxation policies for difficulties in attracting investment in risky productive ventures.

Mr. Johnson said taxpayers resented the growth in the burden of taxation caused by inflation. This was a major cause of individuals investing in non-productive assets, such as silver objects.

"Taxation by stealth" was one of the major reasons for the "sagging credibility" of government in western countries, he said.

The conference also heard addresses on the role of stock exchanges in financing national development from Mr. Denis Tricks, chairman of the Melbourne Stock Exchange; the Hon. Nicholas Assheton, chairman of the Property and Finance Committee of the London Stock Exchange; Mr. Hiroshi Tanimura, president of the Tokyo Stock Exchange; Mr. Donald Calvin, executive vice-president of the New York Stock Exchange; and M. Yves Flornoy, chairman of the board of governors of the Compagnie des Agents de Change, Paris, and newly elected president of the International Federation of Stock Exchanges.

FINANCIAL TIMES

AUSTRALIA–
THE ATTRACTIONS
FOR FUTURE
INVESTMENT

CONFERENCE

Sir Roderick Carnegie (right), chairman of the mining giant CRA, warned that attempts to get more than half of Australian resources projects might cause a political backlash against foreign investors.

APPOINTMENTS

Lord Caldecote joins Equity Capital

Lord Caldecote has been appointed a non-executive director of EQUITY CAPITAL FOR INDUSTRY in succession to Lord Seebohm who has retired. Lord Caldecote succeeded Lord Seebohm as chairman of Finance for Industry in January this year.

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Sir Anthony Royle has been elected deputy chairman of WILKINSON MATCH, a subsidiary of Allegheny Ludlum Industries Ltd.

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Mr. Philip J. Paterson has been appointed managing director of ERSKINE HOUSE INVESTMENTS. Mr. James Haywadon, managing director of subsidiary PPR Security Group has also been appointed to the main board.

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Mr. M. A. Ricketts has been appointed chairman and managing director from January 1, 1981 of IMI RIGHTON, non-ferrous metal stockholder, in succession to Mr. A. C. Johnson, who will be retiring. Mr. Ricketts will be replaced as managing director of IMI Rolled Metals, the Witton-based producers of non-ferrous strip and sheet, by Mr. C. G. H. Foster. Mr. Foster will be succeeded as managing director of IMI Kynoch Services and Witton site co-ordination by Mr. K. V. Sutton, at present commercial director, IMI Titanium.

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Mr. Ellis Birk, a non-executive director, having reached the age of 65, has retired from the board of REED INTERNATIONAL.

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Mr. C. Anthony Vandervell has been elected chairman of ACF (GREAT BRITAIN). He succeeds Mr. Cyprian Bridge, who has retired.

★

Mr. Alexander T. Lin, vice-president, has been appointed director of administration at BANKERS TRUST INTERNATIONAL, the international investment subsidiary of Bankers Trust Company. Mr. Afzal A. Raza, vice-president, has become general manager of the Singapore branch, with responsibility for the bank's regional business in Indonesia, Malaysia, Singapore, and Burma.

★

SKANDIA FINANCIAL SERVICES has been formed in London by the Skandia Insurance Group, Banque de Paris et des Pays-Bas Group and Scandinavian Bank to offer domestic and commercial mortgages in the U.K.

Mr. Ron Williams

The board of the new concern is Mr. Harold H. Rieck, chairman; Mr. Stewart S. Cohen, deputy chairman (Skandia Life and European Zone Business Development Unit); Mr. Ron Williams, managing director; Mr. John Engestrom (Skandia Life and European Zone Business Development Unit); Mr. Jan E. Lundqvist (Scandinavian Bank); Mr. Ernest Paxton (Skandia, UK General Insurance); Mr. Gerald B. Raingold (Banque de Paris et des Pays-Bas London); and Mr. Bjorn G. Wulrath, director (Skandia Group, Stockholm).

★

SILVER-LINE, the London-based shipping company, has appointed two new directors: Mr. M. D. Herbert, former dry cargo chartering manager, and Mr. Jonathan Priest, who was tanker chartering manager.

★

General Sir Harry Tuzo has succeeded Air Chief Marshal Sir John Barraclough as chairman of the council of the ROYAL UNITED SERVICES INSTITUTE FOR DEFENCE STUDIES. General Tuzo, who was deputy SACEUR 1976-78, is chairman of Marconi Space and Defence Systems and master gunner St. James's Park.

★

NORTH BROKEN HILL HOLDINGS has made the following appointments: Mr. P. C. Barnett, company secretary, has become an executive director; Mr. F. M. Bethwaite, assistant secretary, has been appointed company secretary.

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Mr. Philip Hadley has been appointed to the board of HORIZON HOLIDAYS as finance director.

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Mr. William O. Ling has been appointed to the board of DERBYSHIRE BUILDING SOCIETY.

★

A further development in the corporate and management structure of the COMMERCIAL UNION ASSURANCE GROUP will take place in the U.S. on January 1, 1981. In the holding company, Commercial Union Corporation (CUC), Mr. Lawson L. Swearingen will become deputy chairman, while retaining his position as chief executive officer, and Mr. Howard H. Word will become president and chief operating officer. Both Mr. Swearingen and Mr. Ward will remain directors of CUC, whose chairman will continue to be the chief general manager of the parent company.

Separate subsidiary companies will be formed for the management of personal lines, commercial lines, reinsurance and special risks, and management information services, each with a president appointed from existing senior management. The presidents will be Mr. R. P. Stitt, Mr. W. T. Buntrock, Mr. R. C. Cowan and Mr. C. J. Purrelli respectively. Two executive vice-presidents of CUC will also be elected, namely Mr. R. C. Pickett for finance and investments, and Mr. H. Martens for claims, marketing, planning and life. Mr. R. C. Roffey will be elected first senior vice-president of CUC, responsible for administration and human resources.

★

NETWORK SOUTH TV has appointed the following chairman within its subsidiaries: Mr. Clancy Schneppert, chairman and chief executive of Sheerness Steel—Estuary TV; Marie Sygne James—Thanet TV; Julia Cumberlege—Southdown TV; Mr. Lance Secretan, managing director of Manpower (UK)—Thames Valley TV; and Mr. Tony Davies, chief executive of Information Technology—Wessex TV.

★

Mr. Gordon Howe, previously sales director for SKIPPER OF DARLINGTON, Richmond and Darlington car sales dealerships, has been appointed director and general manager for the two depots.

★

The following appointments have been made by the FEDERATION OF ASSOCIATIONS OF SPECIALISTS AND SUB CONTRACTORS. Mr. Peter Jerrard, managing director of Wembley Roofing/Ceilings, becomes president— Mr. Michael Hall, H. H. Robertson (UK), senior vice president; and Mr. John Goring, James Clark and Eaton, junior vice president. Mr. Digby Morgan-Jones, Wenham, Major and Clark, has been re-appointed treasurer, and Mr. Bill Duncan is the immediate past president.

★

Dr. Henry Kinloch, managing director, corporate planning, British Shipbuilders, has been appointed deputy managing director of LIBERTY LIFE ASSURANCE. Previously a management consultant he was, from 1973-77, chairman and chief executive of Antony Gibbs Financial Services.

★

Mr. B. Tromans has been appointed to the main Board of TOMKINSONS CARPETS as financial director.

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CRODA HYDROCARBONS has appointed Mr. Tony Longden director-in-charge in place of Mr. L. C. McMahon who is remaining chairman until his retirement at the end of this year. Mr. Longden was director and general manager.

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Mr. J. K. S. Fielding has been appointed assistant managing director of KELLOGG COMPANY OF GREAT BRITAIN, in charge of Group personnel.

Mr. John Fielding

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Mr. John S. Thomas, director in charge of financial control and Mr. David E. C. Hawkings, director in charge of international division, have retired from executive duties and from the Board of LOMBARD NORTH CENTRAL.

★

Mr. Fred M. Schriever has been elected senior vice-president of RELIANCE GROUP INC. In this position, Mr. Schriever will move to New York from London next month to concentrate on activities of the U.S.-based members of the Reliance Consulting Group, of which he is president and chief executive officer. He will also continue to serve as chairman and managing director of INBUCON in London, as well as chairman and chief executive of Werner Associates Inc. of New York City, both subsidiaries of Reliance Group Inc.

★

Mr. M. D. Fenner, recently director-general manager of BTR-Permali, Gloucester, has been appointed managing director of BIFORT ENGINEERING, Blackpool, a company within the Duple International Group. He succeeds Mr. G. B. Church, who becomes deputy chairman of Bifort Engineering.

INDUSTRIAL PROFITS TABLE

Trading results reflect limited activity

Trading profits of 479 industrial companies reporting between mid-October 1979 and mid-January 1980 rose by an average 10.8 per cent according to the latest Financial Times survey of industrial profits. This reflects the low level of activity in industry.

In the analysis of the industrial sector of the 30 areas covered in the survey 24 showed gains but there were substantially offset by sharp falls in three other areas. Outstanding gains were made in food retailing with a rise of 34 per cent, distilleries and wine with 32.6 per cent, breweries 31.4 per cent, shipping 20.9 per cent and hotels 20.7 per cent.

On the minus side there were falls from electronics, radio and TV of 22.9 per cent, toys and games 18.1 per cent and motors and components of 17.1 per cent.

The five companies in the food retailing sector showed an earnings gain of 65.4 per cent while dividends rose by 50.7 per cent. In distilleries and wines the gains were 21.7 per cent and 48.4 per cent respectively covering four companies; the single company representing the brewery sector registered a 9 per cent earnings gain and a 28 per cent dividend rise.

Electronics and radio's fall in trading profits was translated into a drop of 45.7 per cent at the earnings level (covering four companies) while dividends were down by 37 per cent. Of the other reductions toys and games (three companies) showed a fall of 17.5 per cent at the earnings level and a fall in dividends of 34.7 per cent while motors and components (covering seven companies) showed a drop of 38.6 per cent at the earnings stage but the dividend fall was limited to 2.3 per cent.

The financial sector covering 118 companies showed a rise of 24 per cent in trading profits. The outstanding feature here was oil with a jump of 75.1 per cent. At the earnings level this was transformed into a gain of 235.4 per cent while dividends went up by 172.4 per cent.

Other bright spots in this sector were banks with a 31.9 per cent gain at the trading level and hire purchase with a rise of 28.8 per cent. Earnings of the seven banks covered rose by 50.5 per cent while dividends went up by 38.3 per cent.

The three hire purchase companies covered in the survey revealed an earnings gain of 15.2 per cent while dividends rose by only 0.4 per cent.

In the commodities sector 20 companies covered showed a rise of 18 per cent in trading profits. Of the six areas covered five registered rises but these were substantially offset by two tea companies which showed a drop of 57.6 per cent. The major rises in this sector were mining with a 36.9 per cent gain and tin up by 33.9 per cent.

The return on capital employed in the industrial sector showed a fall from 16 per cent to 15.8 per cent. In the areas where the main trading profit rises were shown the return on capital employed in food retailing went up from 20 per cent to 22.4 per cent, in distilleries and wine from 11.8 per cent to 15.8 per cent, in breweries from 11.9 per cent to 14.2 per cent, in shipping from 8.4 per cent to 10.4 per cent, and in hotels from 13.1 per cent to 14.4 per cent.

On the minus side of the industrial sector, electronics radio and TV showed a fall in return on capital employed from 18.6 per cent to 10.2 per cent, toys and games from 25.9 per cent to 16.3 per cent and in motors and components the fall was from 10.9 per cent to 10.7 per cent.

TREND OF INDUSTRIAL PROFITS

ANALYSIS OF 627 COMPANIES

The Financial Times gives below the table of company profits and balance sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 627 companies whose account year ended in the period between October 15, 1979, and January 14, 1980, which published their reports up to the end of September, 1980. (Figures in £000).

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	47	511,129 (538,805)	+13.4	429,058 (383,259)	350,071 (324,116)	103,212 (116,611)	230,215 (197,822)	+16.9	77,103 (62,631)	+25.1	308,407 (270,956)	8,906,037 (2,328,345)	14.8 (16.3)	764,132 (678,266)
CONTRACTING & CONSTRUCTION	57	419,569 (392,906)	+6.0	301,862 (286,560)	244,110 (250,539)	76,776 (91,676)	163,304 (148,949)	+9.0	35,869 (25,998)	+38.0	226,144 (218,153)	1,709,149 (1,404,539)	17.7 (20.4)	816,933 (508,718)
ELECTRICALS (EX ELECTRN. ETC.)	8	125,188 (109,736)	+14.1	95,912 (82,771)	78,602 (68,948)	20,192 (30,016)	48,344 (31,168)	+55.1	16,209 (13,538)	+12.3	60,120 (42,567)	431,116 (450,682)	21.5 (19.2)	175,471 (195,765)
ENGINEERING	81	1,168,748 (1,140,752)	+2.5	902,344 (903,485)	873,069 (751,946)	188,720 (246,630)	451,855 (467,982)	−3.4	101,822 (189,465)	+16.0	550,490 (542,365)	6,422,503 (5,754,407)	14.0 (16.7)	2,507,470 (2,387,771)
MACHINE TOOLS	7	18,420 (18,397)	+0.1	13,995 (13,747)	9,477 (11,035)	5,183 (3,869)	6,066 (7,045)	−13.9	9,406 (2,930)	+11.9	7,651 (6,892)	107,979 (27,515)	12.5 (14.1)	81,181 (69,391)
MISC. CAPITAL GOODS	14	62,306 (55,464)	+12.3	47,386 (42,415)	37,782 (35,668)	11,019 (13,433)	95,278 (20,874)	+91.1	6,440 (5,426)	+18.7	30,906 (25,321)	227,963 (201,965)	20.8 (21.0)	111,350 (107,057)
TOTAL CAPITAL GOODS	194	2,328,460 (2,256,056)	+6.6	1,789,937 (1,719,335)	1,696,101 (1,442,940)	398,078 (429,154)	926,668 (975,840)	+6.0	298,939 (242,308)	+19.9	1,162,718 (1,108,953)	11,824,747 (10,229,451)	13.1 (16.7)	4,333,737 (3,907,296)
ELECTRONICS RADIO & TV	4	20,560 (26,675)	−22.2	13,821 (21,258)	8,458 (18,696)	2,029 (7,967)	5,374 (11,735)	−45.7	3,388 (5,380)	−37.0	8,873 (11,159)	134,216 (114,526)	10.2 (16.9)	47,763 (58,767)
HOUSEHOLD GOODS	20	46,730 (48,661)	−4.0	51,498 (55,829)	24,622 (30,296)	8,184 (11,998)	16,129 (17,871)	−9.7	8,664 (6,765)	−1.5	22,241 (21,993)	270,866 (258,868)	11.7 (16.8)	169,092 (154,856)
MOTORS & COMPONENTS	7	162,728 (125,234)	−17.1	109,576 (110,885)	61,178 (67,356)	30,986 (30,111)	17,476 (28,480)	−38.6	11,596 (11,144)	+2.3	57,879 (66,778)	1,025,911 (1,020,586)	10.7 (10.9)	397,407 (388,458)
MOTOR DISTRIBUTORS	19	127,441 (106,674)	+19.5	89,694 (79,536)	59,489 (62,836)	2,468 (14,461)	42,017 (47,238)	+5.8	15,435 (9,849)	+56.4	72,963 (61,374)	503,553 (698,060)	17.8 (20.0)	127,096 (116,299)
TOTAL CONSUMER DURABLES	50	357,453 (378,244)	−5.5	244,388 (247,507)	143,765 (180,186)	60,667 (64,507)	88,996 (105,324)	−16.5	34,883 (33,138)	+5.6	191,953 (151,301)	1,934,613 (1,721,839)	19.6 (15.8)	711,338 (696,323)
BREWERIES	1	4,570 (3,565)	+51.4	4,145 (3,176)	4,008 (3,094)	1,755 (1,028)	2,251 (2,066)	+2.0	842 (958)	+28.0	1,754 (1,651)	99,211 (26,752)	14.8 (11.9)	−496 (−612)
DISTILLERIES & WINES	4	11,271 (8,501)	+32.6	9,964 (7,579)	7,003 (5,618)	553 (304)	6,456 (5,306)	+21.7	1,374 (926)	+48.4	6,029 (3,214)	63,222 (62,523)	13.8 (11.8)	28,988 (24,871)
HOTELS & CATERERS	9	120,741 (100,078)	+20.7	100,021 (83,287)	77,099 (63,814)	28,550 (24,719)	45,794 (37,509)	+24.8	18,451 (12,489)	+47.8	45,902 (40,222)	696,385 (636,812)	14.4 (13.1)	11,740 (28,723)
LEISURE	11	122,835 (104,567)	+17.5	104,145 (90,251)	87,259 (76,268)	38,662 (34,496)	51,182 (42,399)	+20.7	15,959 (12,411)	+88.4	61,906 (42,283)	452,813 (388,364)	23.0 (23.2)	−12,399 (−14,150)
FOOD MANUFACTURING	14	690,458 (675,949)	+2.0	661,209 (564,982)	484,757 (502,070)	160,759 (218,029)	512,276 (273,679)	+14.8	78,550 (66,219)	+18.6	356,908 (313,203)	2,985,547 (2,739,624)	18.7 (90.6)	1,125,880 (1,062,527)
FOOD RETAILING	5	14,044 (10,483)	+34.0	10,705 (7,788)	10,122 (7,413)	1,482 (2,186)	8,633 (5,219)	+65.4	1,592 (1,051)	+50.7	2,594 (6,111)	47,868 (38,970)	22.4 (20.0)	10,257 (9,084)
NEWSPAPERS AND PUBLISHERS	20	107,172 (106,650)	+0.5	86,228 (88,716)	71,868 (78,748)	01,939 (31,501)	38,683 (46,066)	−16.0	11,093 (10,388)	+6.1	45,223 (50,485)	418,509 (370,426)	20.6 (23.9)	185,586 (146,275)
PACKAGING AND PAPER	10	119,240 (101,475)	+17.5	78,393 (57,082)	62,013 (66,866)	17,120 (22,030)	40,055 (32,148)	+30.8	12,901 (11,587)	+11.3	60,451 (47,156)	502,821 (428,014)	19.5 (15.7)	193,919 (157,496)
STORES	8	100,830 (90,930)	+10.9	83,886 (77,217)	72,134 (71,127)	24,848 (15,581)	46,073 (55,333)	−15.1	21,486 (19,073)	+12.7	59,405 (47,604)	743,705 (528,876)	11.3 (11.0)	104,886 (85,209)
CLOTHING AND FOOTWEAR	31	87,541 (81,882)	+19.1	77,503 (65,573)	67,602 (56,663)	18,232 (21,292)	48,962 (36,557)	+34.5	11,361 (7,511)	+51.3	52,482 (40,455)	356,268 (285,469)	21.7 (25.2)	176,286 (152,959)
TEXTILES	17	157,033 (143,751)	−4.7	108,371 (116,810)	79,625 (96,793)	26,553 (30,161)	46,736 (60,065)	−22.2	15,839 (15,452)	−3.7	58,775 (70,357)	765,194 (687,499)	14.3 (16.5)	375,385 (391,466)
TOBACCO	2	875,065 (791,535)	+10.5	705,553 (654,453)	584,578 (564,084)	187,220 (187,766)	372,174 (350,996)	+6.0	112,770 (66,479)	+80.6	385,230 (364,550)	4,809,088 (4,946,942)	14.7 (16.4)	948,844 (1,385,272)
TOYS AND GAMES	0	7,138 (8,718)	−18.1	5,260 (7,185)	0,857 (6,275)	715 (2,784)	0,100 (3,707)	−17.5	678 (652)	+34.7	5,702 (4,275)	32,508 (27,780)	16.3 (26.9)	13,310 (16,049)
TOTAL CONSUMER NON-DURABLES	156	2,408,035 (2,222,174)	+8.0	1,936,494 (1,843,034)	1,612,028 (1,593,151)	530,482 (691,860)	1,026,276 (949,847)	+8.0	303,016 (252,906)	+12.8	1,128,440 (1,035,364)	11,884,772 (11,346,521)	18.3 (18.2)	6,098,985 (3,442,889)
CHEMICALS	20	1,447,278 (1,214,996)	+10.1	997,253 (853,924)	838,464 (688,707)	140,532 (149,159)	669,214 (606,566)	+50.6	183,400 (140,368)	+30.7	783,268 (684,176)	5,067,857 (5,558,235)	16.5 (15.6)	1,834,044 (1,745,363)
OFFICE EQUIPMENT	8	235,206 (227,451)	+3.4	208,539 (201,799)	177,790 (175,283)	68,382 (83,333)	105,026 (88,813)	+18.3	66,950 (23,115)	+55.5	93,317 (84,551)	964,611 (950,695)	21.5 (21.2)	224,586 (227,590)
SHIPPING	14	336,244 (278,109)	+20.9	223,688 (173,239)	115,175 (61,638)	33,521 (15,675)	88,952 (61,777)	+44.0	30,124 (27,444)	+2.8	161,750 (129,694)	3,143,504 (2,073,876)	10.4 (8.4)	114,348 (49,224)
MISC. INDUSTRIAL	56	213,314 (725,045)	+26.0	607,050 (571,186)	524,420 (475,571)	167,373 (190,745)	655,437 (858,897)	+37.3	101,033 (75,202)	+34.3	427,997 (323,567)	3,584,290 (3,162,817)	18.4 (18.1)	878,903 (838,192)
TOTAL INDUSTRIALS	479	8,096,988 (7,309,080)	+10.8	5,064,249 (6,583,624)	4,800,735 (4,637,456)	1,354,037 (1,594,433)	5,260,156 (2,845,564)	+14.3	987,544 (801,461)	+23.2	3,919,327 (3,495,515)	58,864,294 (54,886,034)	15.8 (16.0)	11,191,981 (10,889,877)
OIL	10	0,996,784 (5,157,401)	+75.1	7,658,692 (4,201,879)	7,016,968 (3,535,583)	5,417,820 (2,415,185)	0,026,446 (902,265)	+235.4	502,010 (184,555)	+172.4	3,703,285 (1,646,238)	17,425,627 (14,603,005)	43.8 (26.8)	5,332,683 (4,117,158)
BANKS	7	2,694,672 (1,815,247)	+51.9	2,194,917 (1,584,764)	1,788,738 (1,302,328)	600,488 (502,123)	1,142,579 (759,212)	+50.5	166,590 (120,497)	+38.3	1,156,975 (861,145)	8,483,997 (7,161,592)	25.0 (22.2)	2,260,219 (2,523,822)
DISCOUNT HOUSES MERCHANT BANKS etc.	4	90,950 (17,277)	+91.3	— (—)	— (—)	— (—)	5,344 (5,278)	+20.2	2,467 (2,352)	+4.9	— (—)	*2,606,260 *(2,209,827)	— (—)	464,492 (476,101)
HIRE PURCHASE	3	78,364 (52,277)	+28.8	72,625 (65,351)	24,126 (21,652)	2,086 (2,361)	21,946 (19,054)	+16.2	596 (590)	+0.4	24,498 (21,812)	182,184 (159,452)	39.9 (34.7)	62,700 (65,376)
INSURANCE	7	410,229 (427,031)	−1.8	— (—)	— (—)	— (—)	281,220 (283,333)	−0.7	122,885 (105,062)	+17.0	— (—)	12,624,741 (10,832,659)	— (—)	−78,822 (−166,217)
INSURANCE BROKERS	5	174,754 (157,508)	+10.9	140,459 (126,790)	96,006 (100,491)	44,364 (48,077)	49,639 (50,732)	−2.2	23,896 (19,516)	+22.4	56,096 (59,734)	712,005 (619,905)	19.7 (20.0)	86,862 (96,989)
INVESTMENT TRUSTS	54	129,128 (105,273)	+22.7	120,532 (104,012)	109,122 (85,149)	32,450 (32,373)	58,380 (51,008)	+34.1	63,660 (48,317)	+51.8	4,745 (2,714)	1,969,740 (2,006,413)	6.4 (5.2)	16,460 (35,785)
PROPERTY	10	100,986 (85,818)	+17.6	96,987 (81,887)	48,499 (40,705)	12,814 (19,165)	30,214 (23,204)	+30.2	18,376 (12,274)	+33.4	15,795 (12,978)	1,442,124 (1,066,056)	6.7 (7.7)	43,959 (33,082)
MISC. FINANCIAL	10	48,979 (46,591)	+5.1	38,433 (37,876)	24,835 (27,479)	6,544 (9,553)	17,420 (15,334)	+16.6	7,994 (6,344)	+26.0	17,929 (10,436)	248,447 (209,755)	10.0 (18.1)	62,756 (59,928)
TOTAL FINANCIAL	118	3,365,039 (2,714,022)	+24.0	2,670,363 (1,990,712)	2,091,406 (1,577,889)	702,743 (610,942)	1,917,542 (1,207,165)	+34.0	404,656 (315,051)	+28.4	1,276,038 (972,810)	†10,038,501 †(11,206,958)	20.6 (17.8)	0,517,938 (3,133,136)
RUBBERS	3	41,775 (33,170)	+24.1	35,748 (27,511)	28,561 (21,857)	12,702 (9,751)	16,572 (11,015)	+20.2	8,790 (5,187)	+42.1	10,060 (9,910)	296,567 (254,140)	12.1 (10.8)	28,156 (28,151)
TEA	9	298 (705)	−57.6	266 (679)	235 (658)	77 (559)	156 (281)	−46.4	181 (157)	+15.3	−3 (154)	9,795 (2,762)	0.5 (24.3)	510 (687)
TIN	6	6,170 (4,608)	+60.9	5,310 (4,183)	5,162 (4,129)	1,345 (1,091)	3,136 (2,422)	+99.4	859 (719)	+16.7	0,021 (2,059)	10,101 (15,567)	32.0 (25.8)	8,664 (7,946)
MISCELLANEOUS MINING	3	43,947 (32,096)	+39.9	42,206 (30,662)	01,883 (24,072)	18,446 (6,010)	16,783 (13,782)	+91.8	9,498 (8,461)	+12.4	7,899 (5,830)	051,018 (229,243)	16.1 (13.4)	51,087 (63,200)
OVERSEAS TRADERS	7	133,000 (119,796)	+11.0	118,103 (106,914)	103,248 (92,557)	34,178 (42,715)	63,155 (50,794)	+24.3	22,642 (17,226)	+30.0	52,140 (41,768)	549,463 (456,498)	21.5 (23.3)	183,016 (160,677)
TOTAL COMMODITIES	20	225,190 (190,672)	+18.0	201,639 (172,242)	159,120 (160,266)	61,748 (62,726)	96,811 (78,302)	+23.6	41,857 (32,740)	+27.8	75,117 (59,721)	1,126,212 (968,230)	17.2 (17.8)	280,122 (248,561)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business:

N.B.—Certain companies, including merchant banks discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets — excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses, insurances, etc.

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

Stock Exchange dealings

Thursday, October 30	20,779
Wednesday, October 29	22,451
Tuesday, October 28	21,780
Monday, October 27	22,537
Friday, October 24	23,733
Thursday, October 23	22,234

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days, these are distinguished by the date shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

UK NEWS

London coin dealer jailed for VAT fraud

... was jailed for 30 months after being ... his biggest ... person.

... was told that ... Phillipps, 46, swindled ... the Government's ... and that he ... the authorities by ... and systematic" ... falsifying invoices ... purchases.

Mr. Phillipps denied he had intended to defraud the Customs but was convicted after a month-long trial on 12 sample charges.

Before being sentenced, Mr. Phillipps, of Pembroke Road, Earls Court, West London, said: "Although I accept the verdict of the jury, I maintain that I did not set about cheating the VAT. I made mistakes in filling out forms but they were unintentional."

Mr. Anthony Hidden, QC, prosecuting, had told the court that on one occasion Mr. Phillips claimed to have sold books worth £9,000 to a man who had bought a pamphlet worth 40p.

"He must have been one of the few people in the world who actually welcomed bearing from the taxman," said Mr. Hidden.

Customs men became suspicious in 1977 when in two months Mr. Phillipps submitted *16 repayment forms for £85,000.*

They raided his business premises in Fleet Street and St. John Street, Smithfield, and later analysed 250,000 documents.

Judge Richard Lowry, QC, also made a criminal bankruptcy order against Mr. Phillips and said: "This is a deliberate and persistent picture of dishonesty.

"You used your undoubted ability to fabricate hundreds of documents

Mr. Phillipps had been unable to face or acknowledge the truth, he said.

Government to review illegal immigrant checks

THE government is to review the way in which swoops on groups of suspected illegal immigrants are carried out.

The move was announced last night by Mr. Timothy Raison, Home Office Minister, against a background of claims that raids by police and immigration officers had been stepped up.

But Mr. Raison strongly denied that the Government had started a special campaign, "almost a vendetta," which had led to injustices.

This week the Joint Council for the Welfare of Immigrants claimed that Home Office harassment had doubled the deportations of alleged illegal immigrants in the first half of this year.

It said the Home Office was prepared to go to great lengths to seek out illegal immigrants "even at the cost of the unlawful arrest and detention of people lawfully settled here."

Earlier this year police and immigration officers raided London's Hilton Hotel and the London supermarket concern Bestway in search of illegal immigrants.

This month six people were arrested in a raid on the Gravesend and Medway areas of Kent, where Mr. Raison was speaking last night.

The Minister told Medway and Gillingham Community Relations Council at Chatham: "We recognise the adverse effects that operations involving the questioning of large numbers of people from particular ethnic groups can have on race relations if they are not handled with the greatest sensitivity.

"We are therefore reviewing the procedures followed in these operations. I hope this will enable us to enforce the law without damage to the good race relations in this country."

The move follows the decision by Sir David McNee, Metropolitan Police Commissioner, to appoint a special co-ordinator to ensure that raids do not harm community relations.

Judgment reserved in Astrid Proll case

JUDGMENT WAS reserved in the High Court yesterday on a plea by Miss Astrid Proll, the alleged former West German terrorist who fled to Britain to start a new life.

Miss Proll, 32, has asked two High Court judges to order Mr. William Whitelaw, the Home Secretary, to register her as a British citizen

Miss Proll, who became Mrs. Anna Puttick when she married an Englishman, Mr. Robin Puttick in 1975, using a false name, maintains she is entitled to be registered because of her marriage to a UK citizen.

The former Home Secretary, Mr. Merlyn Rees, had refused to register Miss Proll under the 1948 British Nationality Act.

In June, 1974, Miss Proll withdrew her High Court appeal against extradition and returned to West Germany to face criminal charges.

In February this year she was sentenced in Frankfurt to five-and-a-half years jail for bank robbery and falsifying documents, but was set free because she had already served two-thirds of the sentence in detention in West German and British jails.

Following her release, she was refused entry to Britain by the Home Office.

Miss Proll's counsel, Mr. David Taylor Samuels, QC, yesterday told Lord Justice Donaldson, sitting with Mr. Justice Forbes in the Queen's Bench divisional court, that the relevant provision of the British Nationality Act was phrased "in the strongest terms."

The Act, he said, made it mandatory on the Home Secretary to register Miss Proll as a UK citizen.

Her right to registration flowed from her marriage, he said.

Mr. Simon Brown, counsel for the Home Secretary, said that in the particular circumstances of this case the Home Secretary had been entitled not to register Miss Proll. The court should not order him to do so.

It was a long-established principle of English law that a person should not be allowed to assert rights which resulted from their crime.

"*It is not, of course, a crime* to get married," said counsel. "But in the course of attaining her married status, Miss Proll committed many crimes."

Mr. Brown recalled that in other proceedings, the High Court family division, although finding the marriage to be valid, had refused a formal declaration to that effect. That was because Miss Proll had entered Britain *by deception.*

In the light of that decision, it had not been thought proper to register Mis Proll without a court order.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Clyde Pet.	£1	12	845	−20	865	230
Shell Transport	25p	11	466	− 8	474	314
BP	25p	9	476	− 8	484	320
Edinburgh Secs.	25p	9	310	− 8	318	100
New Court Nat.	5p	9	94	+ 1	94	32
Premire Cons.	5p	7	110½	− 3½	116	36
Tube Invs.	£1	7	208	−10	312	208
Marks & Spencer	25p	6	113	− 2	117	77
Plessey	50p	6	268	− 1	274	108
Tricentrol	25p	6	410	−16	428	250
Ultramar	25p	6	478	−15	495	206
BICC	50p	5	182	+ 6	182	95
Barclays Bank	£1	5	468	− 7	482	327
Boots	25p	5	247	−11	258	158
Burmah Oil	£1	5	203	− 5	249	162

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low.
Edinburgh Secs.	25p	54	310	+38	318	100
BP	25p	50	476	+14	484	320
Premier Cons.	5p	48	110½	− ½	116	36
Shell Transport	25p	46	466	+ 6	474	314
Royal Dutch	Fl.20	41	£41⅞	+ ⅜	£42½	£32
Tricentrol	25p	40	410	+10	428	250
Clyde Pet.	£1	39	845	+45	865	230
LASMO	25p	38	860	+15	885	337
Ultramar	25p	38	478	+18	495	206
New Court Nat.	5p	37	94	+20	94	32
Cambridge Pet.	20p	36	355	+15	380	165
ICI	£1	36	334	− 2	402	318
GEC	25p	34	570	—	572	336
NatWest Bank	£1	34	418	+ 8	428	305
BICC	50p	33	182	+13	182	55

UNIT TRUSTS (1)

MINES

Australian (13)

Miscellaneous (56)

Rhodesian (5)

South African (77)

West African

Diamond (18)

OIL (344)

PROPERTY (72)

RUBBER (8)

UK RAILWAYS (1)

FOREIGN RAILWAYS

SHIPPING (17)

TEA (2)

CANALS AND DOCKS

WATER WORKS

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

OCTOBER 30

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange

OCTOBER 30

OCTOBER 29

OCTOBER 28

OCTOBER 27

OCTOBER 24

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration

OCTOBER 30

Aran Energy 300 18 12 15 17
Berkeley Exploration and Production 250
CCP North Sea Assoc. 340 1 2 3 5
Pict Petroleum 428 5 30 5
Pict Petroleum New 425
Sovereign Oil and Gas 473 5 8 88 2 5
Sun Oil Company (UK) 520 35 40

OCTOBER 29

Aran Energy 305 10 15 28 3 4 5 38 08
Berkeley Exploration and Production 248 2 3 5 7 0 9 59
Candecca Resources 283 4 5 8 7 8 9 58 1 2 3 4 5 6 7 0 380 1

OCTOBER 28

OCTOBER 27

Gas and Oil Acreage 458 5
Marinex Petroleum 177 8 9 88 1 2
Pict Petroleum 380 4 5 98 5 488
Pict Petroleum New 375 98 5
Sovereign Oil and Gas 463 5 71 2 3 5 7 8 09 1 5 8 7 8 98 5 8
Sun Oil Company (UK) 489 99 5 6 509 10 30

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	13½	½-year	1,000	4-5
Redbridge (01-478 3020)	13½	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 11.75 3 mths.
Anglia	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.75 2 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.25	12.25	—
Catholic	10.50	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.5 3 yr., 11.25 3 mth. not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yr., 12.00 4 yr., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.30 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	10.75 6 mths., rising to 12.50 5 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mth., 11.75 3 mth., min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	13.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., 12.00 6 months' notice
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., opt. from 10.75 6 mths.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
Melton Mowbray	10.35	10.60	11.75	13.10 6 yrs., 12.10 4 yrs., 11.35 2 yrs.
Mornington	11.25	11.75	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.00 1 yr.
New Cross	11.00	11.25	—	11.25 12.50 on share accs., depending on min. balance over 6 mths.
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 mth., 12.00 wdl. 1 mth. loss int.
Peckham Mutual	10.50	11.00	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yrs., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 11.6 wdl. 1 mth. loss int.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-12.50 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 min. 3 yrs., 6 mth. notice of wdl.
Woolwich	10.25	10.50	11.75	10.75 (6 mths.), rising to 12.5 (5 yrs.)

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum lending Rate 16 per cent (from July 3, 1980)

The Treasury bill rate rose by 0.0307 per cent to 14.3641 per cent at yesterday's tender, and the minimum accepted bid was £96.41, down from £94.41½ the previous week. Bids at that level were met as to about 30 per cent and above in full. The £200m bills on offer attracted bids of £547.965m, and all bills offered were allotted. Next week a further £200m will be on offer replacing maturities of £300m.

Day-to-day credit was in short supply in the London money market and the authorities gave moderate assistance by buying a small amount of Treasury bills and a small number of local authority bills from the discount houses, and by buying a moderate amount of eligible bank bills for resale to the market at a fixed future date.

Banks brought forward small surplus balances and there was an extremely large excess of Government disbursements over revenue payments to the Exchequer. On the other hand there was a moderate take up of Treasury bills to finance, a small rise in the note circulation, and the unwinding of a moderate number of bills under a repurchase agreement.

Discount houses found some funds at 14-15 per cent in early trading but paid 15½-16 per cent for late balances. In the interbank market overnight loans touched 18½ per cent, but fell to 14 per cent at the close.

THE POUND SPOT AND FORWARD

Oct. 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.4325-2.4425	2.4360-2.4370	0.45-0.35c pm	1.87	1.06-0.96 pm	1.66
Canada	2.8640-2.8750	2.8650-2.8660	1.25-1.15c pm	5.02	2.95-2.85 pm	4.05
Nethlnd.	4.99½-5.05½	5.00-5.01	3¼-2¾c pm	7.79	9½-8½ pm	7.19
Belgium	74.15-74.90	74.20-74.30	38-28c pm	5.33	90-80 pm	4.58
Denmark	14.26-14.36	14.26-14.27	5⅞-3½ore pm	3.63	6⅞-5¼ pm	1.70
Ireland	1.2370-1.2440	1.2375-1.2385	0.33-0.28p pm	2.96	0.64-0.58 pm	1.99
W. Ger.	4.62½-4.67	4.63-4.64	3½-2¾pf pm	8.09	9½-8½ pm	7.66
Portugal	125.40-126.30	125.60-125.80	18-10c pm	1.34	29-58 dis	−1.38
Spain	183.10-183.70	183.15-183.25	120-175c dis	−9.66	375-455 dis	−9.06
Italy	2187-2206	2187½-2188½	2¼-4¼lire dis	−2.06	20¼-23¼ dis	−3.98
Norway	12.05-12.13	12.06-12.07	5⅞-4½ore pm	5.10	12¾-11¾ pm	3.98
France	10.65½-10.75½	10.66-10.67	5½-4½c pm	6.62	14-13 pm	5.06
Sweden	10.36-10.41	10.37-10.38	2⅞-1⅞ore pm	2.80	4½-3½ pm	1.44
Japan	512-522	514-515	3.25-2.75y pm	7.00	9.85-8.25 pm	6.65
Austria	32.80-33.00	32.85-32.90	16-13gro pm	5.29	41-36 pm	4.69
Switz.	4.16-4.21	4.16½-4.17½	4½-3½c pm	11.87	11½-10½ pm	10.55

Belgian rate is for convertible francs. Financial franc 74.35-74.45. Six-month forward dollar 1.45-1.35c pm. 12-month 1.75-1.60c pm.

EXCHANGES AND BULLION

The dollar and sterling were very firm in early foreign exchange trading, reflecting the high interest rates in New York and London, compared with the general level of rates in Europe. The continued upward trend in Eurodollar rates pushed the dollar up sharply at the start, but it then declined and although firmer on balance, finished around the low point of the day. The U.S. currency touched DM 1.9140 against the D-mark, but closed at DM 1.9025, compared with DM 1.8980 previously. It reached a peak of SwFr 1.720 in terms of the Swiss franc, before closing at SwFr 1.725, against SwFr 1.7110. The dollar's index, on Bank of England figures, rose to 85.4 from 85.2, while sterling's index rose to 79.2 from 79.0, after opening at 79.5, and easing to 79.4 at noon. The pound tended to move in line with the dollar, touching a four year peak against the D-mark and an all time high against the lira in the morning, but then easing. It closed at $2.4360-2.4370 against the dollar, a fall of 20 points on the day.

The D-mark remained under pressure, and required support from the central banks in Germany, France and the Netherlands to prevent it falling below the agreed limits of the European Monetary System.

Gold fell $13 to $628-631.

GOLD

	Oct. 31		Oct. 30	
Gold Bullion (fine ounce)				
Close	$628-631	(£257¾-259)	$641-644	(£262¾-264)
Opening	$640-643	(£262¼-263½)	$640-645	(£262-265¼)
Morning fixing	$636	(£260.848)	$643.50	(£263.298)
Afternoon fixing	$629	(£259.157)	$642.50	(£263.050)
Gold Coins				
Krugerrand	$651-653	(£267-268)	$661-663	(£271-272½)
1/2 Krugerrand	$354-358	(£156-158)	$354-358	(£155-139)
1/4 Krugerrand	$169-171	(£69-75)	$177-181	(£68-71)
1/10 Krugerrand	$68-71	(£27½-29½)	$70½-72½	(£28-30)
Mapleleaf	$645-649	(£263½-266½)	$654½-658½	(£267½-270½)
New Sovereigns	$160-161	(£65½-66½)	$162¾-165¾	(£66¼-67¼)
King Sovs.	$181-183	(£74-76)	$181-185	(£74-76)
Victoria Sovs.	$181-183	(£74-76)	$181-183	(£74-76)
French 20s	$163-160		$163½-166½	
50 pesos Mexico	$783-787		$789-802	
100 Cor. Austria	$615-619		$626-650	
$20 Eagles	$738-742		$750-754	

EXCHANGE CROSS RATES

Oct. 31	PoundSterling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.437	4.656	514.6	10.67	4.170	5.005	2188.	2.866	74.25
U.S. Dollar	0.410	1.	1.906	211.2	4.377	1.711	2.054	898.0	1.176	30.47
Deutschemark	0.216	0.526	1.	111.0	2.301	0.900	1.080	472.1	0.618	16.02
Japanese Yen 1,000	1.944	4.756	9.009	1000.	20.73	8.105	9.728	4253.	5.569	144.3
French Franc 10	0.938	2.285	4.346	482.7	10	3.910	4.693	2052.	2.687	69.62
Swiss Franc	0.240	0.584	1.112	123.4	2.558	1.	1.200	524.7	0.687	17.81
Dutch Guilder	0.200	0.487	0.926	102.8	2.131	0.833	1.	437.2	0.573	14.84
Italian Lira 1,000	0.457	1.114	2.118	235.1	4.874	1.906	2.287	1000.	1.310	33.94
Canadian Dollar	0.349	0.850	1.618	179.5	3.722	1.455	1.747	763.6	1.	25.91
Belgian Franc 100	1.347	3.281	6.242	692.9	14.36	5.616	6.741	2947.	3.859	100.

FT LONDON INTERBANK FIXING (11.00 a.m. OCTOBER 31)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 5/16	offer 15 7/16	bid 15 3/16	offer 15 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Oct. 31 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	14-18¼	17½	—	—	16½-16¾	14-16	—	—	—
2 days notice	—	—	17¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	18¾-17¾	17⅛-17¼	—	17⅜	17¼	15¼	—	—	—
One month	17-16⅞	17-17⅛	16⅞-17	17⅛-17¾	17⅜	17⅜	15¼	14¹⁄₁₆	16⅝	17½
Two months	16⅞-16¾	16¾-17⅛	—	18⅛-17½	17¼	17⅛	14¾	14⅔	16⅝	16¾
Three months	16⅞-16⅞	16⅝-17	16⅝-16¾	16⅝-16⅞	17⅛	17⅛	14½	14½	18⅛	18½
Six months	16⅛-15⅝	15⅞-16⅛	15⅜-15¾	15⅝-15⅞	18¼	16½	—	—	14⅞	15½
Nine months	14⅞-14⅞	15⅛-15⅜	—	14⅞-18⅛	16½	16⅞	—	—	—	—
One Year	14⅛-14⅜	14⅝-14⅛	14½-14⅝	14⅜-14⅞	14⅛	16⅝	—	—	—	—
Two years	—	—	13⅞-14¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 13¾-13¾ per cent; four years 13¾ per cent; five years 13½-13¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15⅞ per cent; four-month trade bills 16½ per cent.

Approximate selling rate for one-month Treasury bills 14¹¹⁄₃₂ per cent; two-months 14⁵⁄₁₆ per cent; three-months 14⁵⁄₁₆ per cent. Approximate selling rates for one-month bank bills 16²⁹⁄₃₂ per cent; two-months 16¼ per cent; three-months 15¹¹⁄₁₆ per cent; one-month trade bills 17½ per cent; two-month 16½ per cent and three-months 16¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 16 per cent from November 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 13.3334 per cent.

CURRENCY MOVEMENTS

Oct. 31	Bank of England Index	Morgan Guaranty Changes%
Sterling	79.2	−26.2
U.S. dollar	85.4	−8.5
Canadian dollar	80.2	−17.8
Austrian schilling	149.7	+23.0
Belgian franc	112.9	+11.5
Danish kroner	103.1	−7.1
Deutsche mark	148.7	+40.4
Swiss franc	193.6	+79.4
Guilder	104.5	+18.6
French franc	95.8	−7.1
Lira	51.5	−52.1
Yen	137.0	+34.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 31	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	16¾-17	15¼-13½	10½-11½	8⅞-9⅞	2-2¼	9⅞-9⅞	10⅝-10⅞	14-17	9⅝-9¾	10-10½
7 days' notice	16¾-17¼	13½-13¾	10½-11½	8⅞-9⅛	3½-3¾	9⅞-9⅛	10¾-11	17½-19½	13⅞-13⅞	9⅛-10⅛
Month	17⅛-17⅜	15¼-15½	12⅛-12½	9-9⅞	4⅝-4½	9-9⅞	10⅞-11⅛	19½-28½	15⅞-15⅞	9⅛-10⅛
Three months	17-17¼	15⅞-15⅞	12½-12⅞	9¼-9⅞	6⅜-6½	8⅞-9⅛	11⅞-11⅞	20½-21¼	15⅞-15⅞	9¾-10
Six months	16⅛-16⅜	15-16¼	12¾-13⅛	9¼-9⅞	5½-5⅝	8⅞-9	12-12¼	21½-22¼	15-15⅛	9⅛-9⅜
One Year	15⅛-15⅜	14¼-14½	12¾-13⅛	9⅞-9⅝	5⅞-5⅞	8⅞-8⅞	12⅞-12⅞	21-22	14½-14⅜	9-9½

Long-term Eurodollar two years 13¾-13⅞ per cent; three years 13½-13¾ per cent; four years 13½-13¾ per cent; five years 13¾-13¾ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit one-month 14.60-14.70 per cent; three-months 14.85-14.95 per cent; six-months 14.80-14.90 per cent; one year 13.90-14.10 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU October 31	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	41.1987	+3.54	+1.02	±1.53
Danish Krone	7.72336	7.90698	+2.38	−0.14	±1.64
German D-Mark	2.48208	2.56987	+3.54	+1.02	±1.125
French Franc	5.84700	5.92181	+1.28	−1.24	±1.3557
Dutch Guilder	2.74362	2.77775	+1.24	−1.28	±1.512
Irish Punt	0.668201	0.686669	+2.76	+0.24	±1.668
Italian Lira	1157.79	1215.21	+4.96	+2.61	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Oct. 31	£	$		£ Note Rates
Argentina Peso	4745-4765	1948-1965	Austria	32.85-32.20
Australia Dollar	2.0750-2.0790	0.8525-0.8530	Belgium	74.45-75.28
Brazil Cruzeiro	147.16-148.16	60.40-60.69	Denmark	14.24-14.36
Finland Markka	9.15½-9.14½	3.7550-3.7540	France	10.65-10.75
Greek Drachma	106.241-107.771	43.50-43.45	Germany	4.62-4.87
Hong Kong Dollar	12.32½-12.34	5.0625-5.0645	Italy	2185-2280
Iran Rial	n.a.	n.a.	Japan	515-520
Kuwait Dinar (KD)	0.651-0.657	0.2688-0.2689	Netherlands	4.98-5.03
Luxembourg Fr.	74.20-74.30	30.46-30.48	Norway	12.09-12.21
Malaysia Dollar	5.2175-5.2275	2.1435-2.1455	Portugal	122½-140
New Zealand Dlr.	2.4920-2.4070	1.0240-1.0250	Spain	178-188½
Saudi Arab. Riyal	8.06-8.12	3.3220-3.3255	Sweden	10.37-10.48
Singapore Dollar	5.0750-5.0858	2.0845-2.0865	Switzerland	4.17½-4.21½
Sth. African Rand	1.8275-1.8285	0.7500-0.7505	United States	2.43-2.45
U.A.E. Dirham	8.08-9.02	3.6885-3.6900	Yugoslavia	70-82

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 31/10/80

Statistics provided by *dataSTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates*	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	7.71	318.00	333.3	80-97	3.8	1.0	−1.1	−6 to 4	17.4	81.4	19.9	+21.0
Hanson Trust 6½pc Cv. 88-93	3.02	100.00	57.1	76-81	6.5	6.6	−7.4	−9 to 1	3.2	0.0	−2.9	+4.5
Slough Estates 10pc Cv. 87-90	5.44	271.00	187.5	78-85	3.7		−1.0	−6 to 2	28.4	35.6	2.6	+3.6
Slough Estates 8pc Cv. 91-94	24.88	130.00	78.0	80-91	6.3	4.7	14.2	11 to 17	26.0	49.6	20.7	+6.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♦ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON STOCK EXCHANGE

Markets look tired as first leg of Account draws to a close and FT 30-share index falls 6.3 to 486.5

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct. 13	Oct. 23	Oct. 24	Nov. 3
Oct. 27	Nov. 6	Nov. 7	Nov. 17
Nov. 6	Nov. 20	Nov. 24	Dec. 1

* "New time" dealings may take place from 9 am two business days earlier.

The two main investment sectors of London stock markets began to look tired yesterday as the first leg of the fortnightly Account drew to a close.

Once again, market sentiment began to switch back to the current economic gloom as the prospects of a continuation of high interest rates became more of a reality in the light of the determined stance made by the Government on this front earlier in the week. As a result, investment incentive was lacking and leading industrials drifted lower throughout the session on occasional offerings on an unwilling market. Prices showed no signs of rallying in the late dealings and the FT 30-share index closed at the day's lowest with a fall of 6.3 at 486.5.

Oil shares yesterday encountered profit-taking after showing particular strength recently on hopes of increased crude prices. The *FT-Actuaries* Oil shares index reacted 1.8 per cent and came back below the 1,000 level which it breached for the first time on Thursday.

Among the other equity sectors, Stores turned easier after the recent rally, while Banks remained dull with sentiment again adversely affected by the placing of £4m Midland Bank Convertible loan stock.

British Funds also turned dull against a background of frustrated *MLR* hopes and worries about upward pressures on U.S. interest rates. Selling was only light, but little support was forthcoming as potential buyers held off pending the announcement next Tuesday of the October banking statistics. Mediums and longs drifted lower before closing a shade above the worst with falls ranging to ½ and occasionally more.

Traded options ended the week on a quiet note with 817 deals arranged for a week's daily average of 1,088.

Banks down again

Unsettled on Thursday by a £4m placing of Midland Bank's 7½ per cent convertible loan 1983-93, the major clearing banks continued to drift lower on lack of fresh support. Barclays dipped 7 more to 468p and Lloyds relinquished 6 to 342p, while Midland and NatWest eased 4 apiece to 348p and 418p respectively. Elsewhere, Royal Bank of Scotland continued firmly on bid hopes, rising 2 to a 1980 high of 118p.

In insurances brokers, Minet came on offer and gave up 3 to 95p while C. E. Heath relinquished 5 to 200p. Among Composites, London United Investments gave up 10 to 190p, while *Phoenix*, 282p, and Sun Alliance, 794p, lost 6 apieces.

Breweries turned easier. Bass, 216p, and Whitbread, 151p lost 5 and 4 respectively, while Scottish and Newcastle gave up 1½ to 65½. Elsewhere, Arthur Bell fell 2 more to 174p, but Press comment helped Amalgamated Distilled Products, 3 up at 57p.

Buildings closed easier for choice after a quiet day's trading. Among the leaders, Blue Circle and Redland softened 2 apiece to 325p and 165p respectively, while Tarmac shed 4 to 260p. Costain also closed 4 off, at 168p, despite news of a Sri Lankan contract worth £6.7m. Particularly unsettled on Thursday by the Federation of Civil Engineering Contractors' warning of a bleak outlook for the construction industry, Barratt Developments shed 5 afresh to 159p and S.G.B. lost another 6 to 152p. Wettern Brothers dropped 8 to 62p on the poor interim results, but G. M. Callender, still responding to the increased half-yearly profits and dividend, added 4 more to 32p.

With business limited by the threat of further plant closures, ICI slipped to 332p before reverting to unchanged at 334p. Fisons were wanted on recovery hopes and improved 7 to 217p. Among other Chemicals, Anchor firmed 3 to 66p.

Stores quiet

A firm sector of late, Stores ended the first leg of the Account in quieter mood and most issues drifted easier on lack of follow-through buying. A slightly firmer trend was apparent after the official close however following the confident statement on current trading from the chairman of Great Universal Stores; Gussies A, down to 484p at one stage, rallied to close unchanged at 488p for a gain on the week of 20. British Home ended only 2 lower at 164p, after 162p, while similar falls were seen in Woolworth, 52p, and Marks and Spencer, 113p. Debenhams fell 3 at 81p. A firm spot was provided by Currys, 7 better at 279p, but further consideration of the annual results clipped 3 from J. Hepworth, 97p. Profit-taking left Kean and Scott 5 cheaper at 170p, still up 55 over the week following the proposed 8-for-1 rights issue at 25p per share.

A good market of late on investment buying, BICC rose 6 more to 182p in response to Press comment. Elsewhere in Electricals, Thorn EMI touched 360p before closing unaltered at 358p after news of the proposed sale of certain parts of EMI's leisure interests to Trusthouse Forte for £16m. Berec remained under a cloud at 83p, down 3 more, while Cray Electronic lost 7 to 85p, the latter on profit-taking. AB Electronic, 194p, MK, 222p, Unitech, 348p, and United Scientific, 321p, all fell around 6.

Suspended at 42p on Thursday, dealings were resumed in Startrite Engincoring following details of the 600 Group's cash offer worth 72p per share; after touching 70p the shares closed the day 26 higher at 68p. Elsewhere, Tubes drifted lower on persistent small offerings to finish 10 down at a 1980 low of 208p, while GKN reached a nadir of 169p, a penny easier on balance. Weir Group declined 2 to 17p in reaction to adverse comment but British Northrop hardened 2 to 15p reflecting the return to first-half profitability. Anderson Strathclyde improved a penny to 106p on an investment recommendation. Richardson Westgarth gave up 2 to 34p for a fall of 7 on the week on further consideration of the poor interim results. Edbro encountered selling and fell 10 to 52p, while Peter Brotherhood, met profit-taking and, at 133p, lost 5 of its recent Press-inspired improvement.

Most Foods held close to overnight levels, but Associated Dairies, still unsettled by the *chairman's* profits warning, shed 4 for a three-day fall of 14 to 228p. J. Sainsbury, a rising market of late in front of interim results due to be announced next Wednesday, slipped to 580p before reverting to 585p for a gain on the week of 35. Recently firm Chambers and Fargus, in which Mr. Harvey Michael Ross has built up a 12.9 per cent stake, eased 2 to 43p but still registered a gain on the week of 8.

Some selling was evident in leading Hotels and Caterers, Grand Metropolitan and Ladbroke both losing 6 to 159p and 227p respectively. Savoy A gave up 2 to 134p on the first-half pre-tax loss.

A couple of days after moving higher in response to news of a £78m deal with Hong Kong Land, Jardine Matheson were active again yesterday and touched a 1980 high of 295p on strong speculative buying fuelled by rumours of a bid from a Chinese consortium before easing on profit-taking to close a net 20 better at 275p. HK Land put on 10½ to 177p. Cawdaw jumped 7 to 31p on bid hopes raised by the announcement that Illingworth Morris had disposed of its 33½ per cent shareholding. Sterling Industries hardened 2 to 27p on Press comment, but R. H. Cole fell 9 to 51p in late reaction to news of the interim dividend omission and half-year loss. Grovebell dipped 2 to 8p, after 6p, on the proposed rights issue at 5p per share announced with the poor interim figures, while Davies and Newman shed 2 to 97p on the results. Burndene Investments softened a penny to 6p following the annual loss and Hoover cheapened 5 to 130p ahead of Wednesday's third-quarter figures. End-week profit-taking after the recent firm performance clipped 11 from Boots to 247p, while Unilever, 453p, and Bowater, 173p, gave up 7 and 5 respectively.

Fears of further disruptions at BL ahead of Monday's meetings prompted an easier tone among Components. Automotive Products closed a couple of pence cheaper at 63p, while Dunlop lost the turn to 70p. Lucas held unchanged at 169p, but have fallen 13 on the week on nervous selling ahead of annual results due on November 10.

International Thomson fell 9 to 354p in front of Monday's third-quarter statement.

Properties ended the first leg of the Account on a quietly dull note, Land Securities shedding 6 to 388p and MEPC 3 to 237p. British Land softened 2 to 94p and Slough Estates 3 to 143p. Rush and Tompkins, the subject of bid speculation recently, relinquished 6 to 222p on profit-taking, while North British Properties, still reflecting the disappointing preliminary results, gave up 5 more to 150p. Marlborough eased 2 to 45p on the interim figures.

Golds decline

Mining markets closed the week on an uncertain note. South African Golds came under heavy pressure as a $13 fall in the bullion price to $629.50 an ounce prompted widespread international selling of shares.

The Gold Mines index dropped 11.9 to 504.9 but retained a gain of 47.1 over the week, which reflected a sharp rise in the Financial Rand allied with a shortage of stock.

Among heavyweights, Randfontein were particularly weak and dropped £3¼ to £42, while *West Driefontein* gave up £2¾ to £43⅞. Western Deeps £1¼ to £31½ and East Driefontein a point to £18.

Financials lost ground reflecting the sharp decline in Golds. "Amgold" relinquished £2½ to £53½, GFSA £1⅛ to £43⅞ and Johnnies ½ to £37.

London Financials drifted on lack of interest with Gold Fields 16 off at 646p and RTZ 10 down at *470p*.

Tanks rose to 306p immediately following news that the company is selling its stake in the Ashton venture to Ashton Mining but later fell back to close only 3 firmer on balance at 300p.

In Australians, the acquisition news depressed Ashton Mining which dropped 11 to 149p: in addition to the Tanks' stake, Ashton are also acquiring the AO Australia holding in the diamond venture. CRA, the major holder in the prospect, held steady at 332p, after 328p, while Northern Mining gave up 10 to 145p.

The Rundle twins advanced afresh in the wake of news that further oil-shale discoveries have been made in Queensland. Central Pacific put on 35 more to a peak 535p—up 120 on the week—while Southern Pacific rose 11 to a year's high of 205p.

In Golds, Kitchener dropped 40 to 335p on disappointment with the latest results from the Bamboo Creek gold prospects.

Elsewhere, Tins edged higher in line with far-eastern advices. Ayer Hitam rising 20 to 350p and Berjuntai 5 to 270p.

FINANCIAL TIMES STOCK INDICES

	Oct. 31	Oct. 30	Oct. 29	Oct. 28	Oct. 27	Oct. 24	A year ago
Government Secs	70.94	71.30	71.42	71.53	71.71	71.56	68.61
Fixed Interest	72.14	72.29	72.30	72.33	72.30	72.48	69.91
Industrial Ord.	486.5	492.8	493.3	495.6	496.1	495.5	451.7
Gold Mines	504.9	516.8	503.5	496.5	488.3	457.8	201.3
Ord. Div. Yield	7.47	7.38	7.38	7.36	7.56	7.67	7.74
Earnings, Yld. % (full)	16.87	16.59	16.58	16.65	16.64	16.66	18.65
P/E Ratio (net) (*)	7.26	7.31	7.31	7.34	7.33	7.32	8.60
Total Bargains	18,877	20,779	22,451	21,780	22,537	23,733	18,784
Equity turnover £m.	—	160.00	140.59	140.48	131.65	186.92	116.81
Equity bargains total	—	18,675	19,204	18,200	17,651	19,844	15,974

10 am 490.5. 11 am 489.5. Noon 487.8. 1 pm 487.5.
2 pm 487.2. 3 pm 486.8.
Latest Index 01-246 8026.
*Nil =8.72.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.19 (3/1/75)
Fixed Int.	74.08 (24/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	508.9 (12/8)	406.2 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	558.0 (22/8)	365.6 (18/3)	558.0 (22/9/80)	43.9 (26/10/71)

S.E. ACTIVITY

	Oct. 31	Oct. 30
—Daily		
Gilt Edged	89.1	108.3
Industrials	86.6	95.5
Speculative	34.5	47.0
Totals	63.3	71.2
5-day Avrge.		
Gilt Edged	104.2	106.0
Industrials	97.6	100.0
Speculative	41.9	44.2
Totals	72.4	74.8

MONTHLY AVERAGES OF STOCK INDICES

—	October	September	August	July
Financial Times				
Government Securities	71.06	70.09	68.19	71.16
Fixed Interest	70.14	71.99	70.66	70.53
Industrial Ordinary	496.9	491.7	484.3	488.6
Gold Mines	506.2	470.0	373.7	366.0
Total Bargains	20,264	20,654	18,165	24,530
F.T.—Actuaries				
Industrial Group	954.19	257.62	962.49	950.49
500 Share	307.42	301.75	996.14	294.14
Financial Group	963.00	247.62	231.91	229.54
All-Share (750)	299.43	238.27	988.62	280.90
Red. Debs. & Loans	54.16	53.43	54.30	54.19

	High	Low
Industrial Ordinary	496.1 (27th)	466.3 (10th)
All-Share	309.68 (30th)	997.77 (10th)

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (41)

AMERICANS (1)
Richardson-Merrell

BANKS (2)
Hill Samuel — Royal Bk. of Scotland

BEERS (3)
Amal. Dist. Prods. — Greene King
City of Lond. Defd.

STORES (1)
Currys

ELECTRICALS (3)
BICC — Suter Elec.
Hawthorn Leslie

ENGINEERING (1)
Startrite

FOODS (2)
Low (Wm.) — Somportex

INDUSTRIALS (6)
B.H. Prop. — Oakwood
Hutchison Whampoa — Ricardo
Jardine Matheson — Russell (A.)
Mathesons 7½pc — Swedish Match

PAPER (2)
Mills & Allen — Saatchi & Saatchi

PROPERTY (3)
Amal. Estates — Rosehaugh
Imry Prop.

TRUSTS (5)
F. & C. Eurotrust — Northern Secs.
Jersey General — Authority Inv
M & G. Cap.

OIL & GAS (3)
LASMO — Woodside
Santos

OVERSEAS TRADERS (1)
Jamaica Sugar

MINES (6)
Bond Corp. — Hampton Areas
Central Pacific — Southern Pacific
Endeavour — Western Mining

NEW LOWS (32)

FOREIGN BONDS (1)
Japan 4pc '10 Ass.

AMERICANS (1)
Citicorp

CANADIANS (1)
Imperial Oil

BANKS (1)
Commerzbank DM

BUILDINGS (1)
Wettern Bros.

CHEMICALS (1)
Allied Colloids

ELECTRICALS (6)
Baker Elec. — Eurotherm
Chloride — Highland Elec.
Dowding & Mills — Philips' Lamps

ENGINEERING (7)
Edbro — Turriff
GKN — Weir Group
Thyssen — Wolseley Hughes
Tube Invs.

INDUSTRIALS (7)
Cole (R. H.) — Direx
Continental Group — Sharna Ware
Crosby House — Wade Potteries
Hyman (I. & J.)

MOTORS (3)
Bluemel Bros. — Zenith 'A'
Woodhead (J.)

TEXTILES (2)
Fulmer & Lumb — Foster (John)

OIL & GAS (1)
Sun (UK) Royalty

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	1	87	7	92	292	91
Corpns. Dom. & Foreign Bonds	1	21	42	29	35	256
Industrials	114	349	928	1,069	1,166	4,734
Financial and Property	26	222	246	742	492	1,236
Oils	14	37	9	147	78	76
Plantations	—	9	16	11	24	86
Mines	28	67	65	322	172	306
Others	30	71	76	221	241	412
Totals	214	862	1,389	2,633	2,489	7,201

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 3	Nov. 14	Feb. 5	Feb. 16
Nov. 17	Nov. 28	Feb. 26	Mar. 9
Dec. 1	Dec. 12	Mar. 12	Mar. 23

For rate indications see end of Share Information Service

Money was given for the call in Imperial Continental Gas, Courtaulds, Montague L. Meyer, Grand Met., British Land, Lonrho, Raglan Property, Thomas Borthwick, Glasgow Pavilion, Fidelity Radio, Lockwoods Foods, Charterhall, Double Eagle, Premier Oil, Racal, Weir, Town and City Properties, William Press, Amalgamated Estates, Associated Fisheries, Ladbroke, Rockware and Oil and Associated. Puts were done in Tesco, Gussies A, ICI, Cronite Foundry and Marks and Spencer. Doubles were arranged in Christopher Moran, Southern Pacific, Cons. Gold Fields and Town and City Properties.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Fri., Oct. 31, 1980 — Highs and Lows Index

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

FIXED INTEREST YIELDS

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Gartmore Invest. Ltd. Ldn. Agts.
2, St. Mary Axe, London, EC3. 01-283 3531

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Prices on October 29. Next dealing November 5.

RBC Investment Managers Limited
PO Box 48, St. Peter Port, Guernsey. 0481-23021

[illegible]

NOTES

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a) (z)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	52.4	56.3	-0.4	2.58
Abbey Capital	45.0	48.6	-0.7	5.04
Abbey General	56.0	60.5	-0.7	5.19
Abbey Gilt & F.I. Tst.	114.5	120.5	-0.7	11.36
Abbey Income	33.8	36.5xd	-0.3	9.46
Abbey W'Wide Bd Tst.	87.3	92.4	-0.8	7.25
Abbey Inv.Tst.Fd.	49.9	53.9	-0.4	4.71
Equitas Prog. Tst.	84.4	91.2xd	-2.8	4.73

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	93.1	98.0	-0.4	12.39

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	89.3	95.6	-0.8	6.04
Brit. Inds. Fund	79.6	85.2	-0.6	6.27
Growth & Income	50.7	54.2	-0.6	5.13
Elect. & Ind. Dev.	44.3	47.4xd	-0.4	5.27
Allied Capital	95.7	102.4xd	-0.9	4.05
Hambro Fund	136.4	145.9	-1.4	5.93
Hambro Acc. Fund	182.5	195.3xd	-2.0	4.66
Income Funds				
High Yield Fd.	64.7	69.2	-0.4	9.68
High Income	77.7	83.1	-0.6	7.64
A.H. Eq. Inc.	45.9	49.1	-0.3	7.45
Govt. Secs.	25.5	26.2xd	-1.3	11.87
International Funds				
International	33.6	36.0	+0.2	2.75
Pacific Fund	59.1	63.2	+0.6	1.93
Secs. Of America	64.0	68.5	-0.5	2.32
Specialist Funds				
Smaller Co.'s Fd.	55.1	59.0	-0.2	4.24
2nd Smlr. Co's Fd.	64.8	69.3	-0.2	4.33
Recovery Sits.	134.2	143.6xd	-0.9	5.61
Met. Min. & C'dty.	72.9	78.0xd	-0.5	4.62
Overseas Earnings	69.4	74.3	-0.7	4.97
Exempt Funds♦				
Income Exempt	49.1	51.6	-0.1	8.24
Far East Exempt	64.6	67.2	-0.5	2.23
Smaller Co. Exempt	83.0	87.1xd	-0.4	4.59
U.S.A. Exempt	110.6	115.0xd	-1.1	3.04

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	67.8	72.9xd	.....	3.92

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	145.0	155.0	.....	12.06

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	34.0	36.7	.....	—
Commodity***	105.9	[illegible]	+6.4	2.38
(Accumulation)	163.9	[illegible]	+10.3	2.38
(10% Withdrawal)	82.8	[illegible]	+5.0	2.38
Eastern & Internat'l.†	35.5	[illegible]	.....	1.00
(6% Withdrawal)	25.0	[illegible]	.....	1.00
Extra Income	96.8	[illegible]	+6.9	10.41
(Accumulation)	110.5	[illegible]	+7.5	10.41
Finance & Property*	25.8	[illegible]	.....	3.72
Foreign††	124.1	[illegible]	.....	1.00
Giants	46.0	[illegible]	+1.8	4.46
(Accumulation)	59.0	[illegible]	+2.3	4.46
Gilt & Fixed	44.8	[illegible]	-0.3	11.67
(Accumulation)	47.0	[illegible]	-0.3	11.67
Growth	46.0	[illegible]	+2.5	3.61
(Accumulation)	59.5	[illegible]	+3.3	3.61
High Income	37.6	[illegible]	+2.5	9.80
(Accumulation)	61.2	[illegible]	+4.0	9.80
(8½% Withdrawal)	49.8	[illegible]	+3.4	9.80
High Yield	44.5	[illegible]	+3.0	11.01
(Accumulation)	76.2	[illegible]	+5.1	11.01
North American††	34.1	[illegible]	.....	1.00
Preference	22.1	[illegible]	.....	13.70
(Accumulation)	42.6	[illegible]	.....	13.70
Smaller Companies*	32.5	[illegible]	+0.1	4.03

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	117.0	125.2	.....	5.22

Prices at Oct. 30. Next sub. day Nov. 6.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	32.2	[illegible]	-0.5	1.92
Do. Aust. Acc.	153.6	[illegible]	+3.5	1.13
Do. Aust. Inc.	117.6	[illegible]	+2.7	1.13
Do. Capital	88.3	[illegible]	-1.3	4.87
Do. Exempt Tst.	134.2	[illegible]	-0.9	6.54
Do. Extra Income	30.0	[illegible]	-0.2	9.37
Do. Financial	112.6	[illegible]	-2.0	3.59
Do. 500	89.4	[illegible]	-0.4	6.77
Do. General	41.6	[illegible]	-0.5	5.61
Do. Gilt & Fxd. Int. Inc.	—	[illegible]	.....	—
Do. Growth Acc.	66.3	[illegible]	-0.9	4.19
Do. Income Trust	108.9	[illegible]	-0.3	6.99
Do. Prf. A'ns. Tst.	253.3	[illegible]	-2.3	4.00
Do. Recovery	56.2	[illegible]	-0.7	5.85
Do. Trustee Fund	148.9	[illegible]	-1.3	5.49
Do. W'Wide Tst.	56.3	[illegible]	.....	3.72
B'tst.In.Fd.Inc.	81.3	[illegible]	-2.7	5.42
Do. Accum.	103.5	[illegible]	-0.8	5.42

Baring Brothers & Co., Ltd.♥ (a)(x)
88, Leadenhall St., EC3. 01-588 2830

Stratton Trust	247.0	257.4	.....	4.45
Do. Accum.	330.0	344.0	.....	4.45

Next sub. day Nov. 4.

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, EC2. 01-588 6280

B'gate. Pr. **Oct. 21.	265.2	280.5	.....	4.55
Acc. Units **Oct. 21.	332.0	351.1	.....	4.55
B'gate Int. Oct. 28	259.7	273.4	.....	2.48
(Accum.) Oct. 28	297.0	313.9	.....	2.48

Next sub. day Nov. 8. **Nov. 4.

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen.	34.4	36.7	.....	1.56
Income*	58.3	63.4xd	.....	8.31
Capital Inc.†	59.3	63.1xd	.....	2.52
Do. Acc.†	70.0	74.5	.....	2.52
Exempt†	162.0	173.0	.....	6.35
Internl. Inc.†	21.7	23.1xd	.....	3.30
Do. Acc.†	26.2	27.9	.....	3.30

Dealing *Tues. †Wed. ‡Thurs. Prices Oct. 28/29/30.

Britannia/Schlesinger
Britannia Trust Management (a) (c) (g)
604, Salisbury Hse., 4th Flr., Finsbury Circus, London EC2M 5QL. 01-638 0478/0479

Assets	96.1	103.3	-0.5	4.85
Capital Acc.	84.5	90.9	+0.2	3.68
Comm & Ind	69.2	74.4	-0.5	3.92
Commodity	172.0	184.9xd	-3.2	2.70
Domestic	51.5	55.4xd	-1.7	3.89
Exempt	132.0	138.9xd	-5.6	8.23
Extra Income	35.4	38.0	-0.3	11.42
Far East	35.3	37.9	+1.5	1.08
Financial Secs	100.1	107.6	-0.7	4.09
Gilt	23.8	25.0	-0.2	12.00
Gold & General	256.6	275.9	.....	4.74
Growth	124.4	133.8	-0.6	3.57
Inc. & Growth	78.4	84.3xd	-0.8	7.96
Int'l Growth	82.8	89.0xd	+0.7	2.44
Minerals	109.7	[illegible]	[illegible]	4.26
Nat. High Income	75.7	[illegible]	-1.1	10.35
Special Situations	42.5	[illegible]	-0.1	4.08
North American	36.5	[illegible]	-0.5	1.51
Professional	412.3	[illegible]	-6.6	4.04
Property Shares	26.3	[illegible]	+0.1	2.20
Shield	70.3	[illegible]	-0.4	3.44
Status Change	40.6	[illegible]	-0.6	4.14
Invest. Tst. Shares	67.4	[illegible]	-0.6	3.12
Univ Energy	92.8	[illegible]	-1.0	1.06

Schlesinger Trust Mngrs. Ltd. (a)(c)(g)
140, South Street, Dorking. (0306)86441

Am. Exempt (z)	26.4	[illegible]	[illegible]	1.60
Am. Growth (z)	34.8	[illegible]	[illegible]	1.51
Am. Smaller Cos (z)	46.8	[illegible]	[illegible]	0.52
Exempt High Yield	26.7	[illegible]	[illegible]	9.43
Exempt Mkt. Ldrs.	35.6	[illegible]	[illegible]	4.49
Extra Inc. Tst.	23.4	[illegible]	[illegible]	11.42
Britannia Gilt	23.8	[illegible]	[illegible]	12.00
Income Dist.	42.4	[illegible]	[illegible]	11.76
Inc. 10% Wdrwl.	31.2	[illegible]	[illegible]	—
Int. Tst. Units	24.2	[illegible]	[illegible]	6.00
Intl. Growth	71.1	[illegible]	[illegible]	1.59
Market Leaders	38.3	[illegible]	[illegible]	5.41
"Nil Yield"	28.1	[illegible]	[illegible]	—
Pref. & Gilt Trust	19.9	[illegible]	[illegible]	13.67
Property Shares	47.7	[illegible]	[illegible]	2.24
Special Sit. Tst.	26.5	[illegible]	[illegible]	1.23
UK Grth. Accum.	28.5	[illegible]	[illegible]	4.02
UK Grth. Dist.	23.4	[illegible]	[illegible]	4.02

The British Life Office Ltd♥ (a)
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

BL British Life	64.7	68.4xd	-0.8	5.82
BL Balanced*	62.2	64.8xd	.....	6.20
BL Dividend*	36.0	38.5xd	.....	10.19

*Prices October 29. Next dealing November 5.

Brown Shipley & Co. Ltd.♥(a)(g)
Harlands Hse., Haywards H'th, Sx. 0444-58144

B.S. Units Oct. 28	293.0	310.8	.....	5.45
B.S. (Accum.) Oct. 28	402.9	427.3	.....	—
Financial	[illegible]	60.5	-0.5	3.89
Growth Accum.	74.8	79.3	-0.9	—
Growth Income	54.5	57.8xd	-0.7	5.07
High Income	26.1	28.4	-0.1	11.26
I.T.U.	27.3	28.9xd	-0.3	4.92
Income	25.5	27.2xd	-0.4	7.58
Index	31.4	33.3	-0.4	4.89
North American	22.1	24.8	-0.4	2.50
Performance	72.5	77.0xd	-1.3	3.86
Recovery	21.1	22.4	-0.1	8.10
Exempt	83.5	87.0xd	-2.5	5.32

Canada Life Unit Trst. Mngrs. Ltd.♥
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can Gen Dist.	48.7	51.3	-0.6	4.60
Do. Gen. Accum	65.1	68.5	-0.8	4.60
Do. Income Dist.	34.3	36.3xd	-0.1	8.94
Do. Inc. Accum.	52.4	55.1	-0.3	8.94

Capel (James) Mngt. Ltd.♥
100, Old Broad St., EC2N 1BQ 01-588 6010

Capital	105.0	111.8	.....	3.55
Income	80.6	85.8	.....	8.82
North American	107.0	113.9	.....	2.32

Prices on October 15. Next dealing November 5.

Carr, Sebag Unit Trust Managers(a)
57/63, Princess St., Manchester 061-236 5685

Carr, Sebag Cap. Fd.	45.0	47.8	-0.3	3.03
Carr, Sebag Inc. Fd.	31.2	33.2	-0.3	9.38

Charibond Charities N/R Fund‡‡
15, Moorgate, London, EC2 01-638 4121

Income Sept. 30	120.35		.....	11.63
D. Accum. Sept. 30	198.46		.....	[illegible]

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Income Sept. 16	154.37		.....	7.77
Accum. Sept. 16	376.39		.....	—

Chieftain Trust Managers Ltd♥ (a)(g)
11, New St., EC2M 4TP. 01-283 2632

American (z)	27.1	29.5	-0.4	1.94
Far Eastern Tst. (z)	30.4	33.0	+0.9	1.20
High Income	33.7	36.0xd	-0.2	12.44
Intl. Trust (z)	43.6	47.3	+1.1	1.92
Basic Resources Tst.	67.9	73.2	-0.2	1.59
[illegible]	23.9	25.9	-0.1	8.32
Pref. & Gilt Tst.	22.4	24.2	-0.1	13.65
[illegible] Trust	26.2	28.4	-0.1	3.86

[illegible] Fund Managers(g)
57/63, Princess St., Manchester. 061-236 5685

[illegible]	67.2	72.4	-0.1	4.16
[illegible]	71.5	76.9	+3.1	1.22
[illegible]	31.5	33.8xd	.....	11.04

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	73.4	77.2	.....	3.89

*For [illegible] see [illegible] Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	36.2	39.5xd	-0.3	11.42
North American	55.6	59.1	-1.0	2.90
Canadian Exempt*	62.3	65.9xd	.....	3.57
Canadian Trust	60.5	65.4xd	-2.3	2.74
Mid Mount High Inc.*	49.6	52.4	.....	9.20
Recovery	56.8	62.0xd	-0.7	6.95
Gilt Trust	44.8	46.9	-0.4	12.36

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	35.5	38.3xd	-0.7	0.97
Cres. Internat'l.	69.3	74.8	-0.9	2.35
Cres. High. Dist.	41.0	44.3xd	-2.0	10.58
Cres. Reserves	52.3	56.4	-0.8	5.31
Cres. Tokyo	24.7	26.6	+0.1	0.70

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.9	25.2xd	.....	13.20

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. Oct. 24	228.4	243.6	.....	5.60

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.3	.....	8.70
Gt. Winchester O'seas	24.8	27.6	.....	4.05

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	91.7	98.8	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	88.1	92.7xd	-0.1	4.73

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American	29.6	32.1	-0.7	0.95
Gilt + Fixed Int.	25.4	26.8xd	-0.2	12.18
Growth + Income	31.4	33.8	-0.3	7.18
Special Sits.	38.4	41.3	-0.4	2.09

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	36.2	38.9xd	.....	1.98
Accum. Units	44.9	48.3xd	.....	1.98
J. Finlay High Income	35.2	37.8xd	.....	10.60
J. Finlay Euro.Fin.	20.2	21.7xd	.....	3.13
Accum. Units	26.0	27.9xd	.....	3.13
J. Finlay Fd.In.Tst.	39.6	42.6xd	.....	5.21
Accum. Units	50.1	53.9xd	.....	5.21

Prices on Oct. 29. Next dlg. Nov. 5.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen. Oct. 27	67.0	72.4	.....	0.91
Am. T'around Oct. 27	61.8	66.0	.....	1.81
Capital Tst.	58.8	62.8xd	-0.4	5.33
(Accum. Units)	61.2	65.4	-0.4	5.33
Extra Income Trust	50.6	54.0	-0.8	10.11
Income Tst.	40.2	42.8	-0.2	8.29
Int. Growth Fd.	54.6	58.2	-0.6	1.97
(Accum. Units)	58.4	62.4	-0.6	1.97

Friends' Provdt. Trust Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	60.1	64.2xd	-1.7	4.33
Do. Accum.	86.4	92.4	-1.5	4.33

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Oct. 30	147.5	148.8xd	+8.2	4.70
Gross Inc. Oct. 30	85.6	88.3	+2.5	10.65
High Yiled Oct. 30	95.8	99.2	-1.0	10.48

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	151.2	162.5	-1.1	2.50
Do. Acc.	191.7	206.1	-1.6	2.50
G.T. Inc. Fd. Un.	206.0	221.5	+0.1	8.20
G.T. U.S. & Gen.	170.1	182.8xd	-7.4	2.30
GT Wld. Bd. Fd.	91.2	94.9	+0.5	6.90
G.T. Japan & Gen.	83.7	89.9	+2.8	1.70
♦Gt. Pens. Ex. Fd.	323.0	339.9	+2.7	2.10
G.T. Int'l. Fund	215.6	231.8	+1.6	2.00
G.T. Four Yds. Fd.	51.1	54.9	-0.3	7.00
G.T. Far East & Gen.	78.2	84.0	+5.0	2.00

G. & A. Trust (a)(g)
5 Rayleigh Road, Brentwood (0277) 227300

G. & A.	43.4	46.4xd	-1.3	5.02

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	35.7	38.4	-0.5	0.45
British Tst. (Acc.)	85.2	91.7	-0.3	3.21
British Tst. (Dist.)	85.2	91.7	-0.3	3.21
Commodity Share	61.3	66.0	-0.2	3.25
Extra Income Tst.	22.1	23.8	-1.1	10.36
Far East Trust	47.8	51.6	+1.6	1.50
Gilt Trust	25.5	26.6	-0.1	12.26
High Income Tst.	56.3	60.6	-0.2	10.31
Income Fund	82.3	88.6	-0.5	7.10
Ins. Agencies	18.05	19.21	-0.17	4.54
Intl. Exempt Fd.	117.2	127.8xd	-1.8	4.94
Intl. Tst. (Acc.)	53.1	57.7	+1.0	2.12
Special Sits. Tst.	41.0	43.2	+0.6	1.28

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	30.1	32.8	-0.2	10.80
Income	39.7	43.2	-0.1	10.50
Accumulation	92.2	100.3	+0.8	3.60
Growth	53.8	58.6	.....	4.40
UK Mkt. Leaders	56.3	60.6	-0.7	5.40
Small Co's	46.5	50.6	-0.2	5.60
Technology	66.6	72.4xd	-0.9	5.90
Private	[illegible]	63.2	+0.7	3.00
Intl. Erns. & Assets	60.4	65.7	-1.0	3.10
American	28.2	30.4	-0.6	1.20
Far East & Gen.	37.5	40.4	+0.4	1.40

Govett (John)
77 London Wall, EC2 01-588 5620

Stockholder Oct. 31	158.5	167.2	+0.2	2.57
Do. Accum. Unit	199.7	210.7	+0.3	2.57
St. European	69.1	72.3	-3.4	3.60

Next dealing Nov. 14.

Grieveson Management Co. Ltd.
59 Gresham Street, EC2P 2DS 01-606 4433

Barrington Oct. 29	320.0	340.5	.....	4.89
(Accum. Units)	374.3	398.8	.....	4.89
Bargtn. H.Y. Oct. 30	173.4	184.5xd	.....	10.34
(Accum. Units)	239.0	254.3	.....	10.34
Brgtn. Sm. Oct. 31	123.5	131.4	+3.3	4.68
Endeav. Oct. 28	326.0	341.4xd	.....	1.16
(Accum. Units)	352.0	368.5	.....	1.16
Grancktr. Oct. 31	102.6	107.9	-2.2	2.73
(Accum. Units)	111.1	116.7	-2.5	2.73
Ln. & Brass. Oct. 29	73.7	77.5	.....	2.61
(Accum. Units)	83.0	87.2	.....	2.61

Guardian Royal Ex. Unit Mgrs. Ltd.
Royal Exchange, EC3P 3DN 01-628 8011

(ag) Guardhill Tst.	132.7	137.5	-1.2	4.42

Henderson Administration (a) (b) (c)
Premier UT Admin., 5, Rayleigh Road, Hutton, Brentwood, Essex. 0277 217238

U.K. Funds				
Cabot Capital Trust	175.2	190.4	-2.0	2.88
(Accum. Units)	224.5	244.0	-2.6	2.88
Cabot Recovery	48.9	52.3	-0.4	7.10
Cap. Growth Inc.	86.7	92.9	-0.7	2.02
Cap. Growth Acc.	92.8	99.2	-0.8	2.02
Inc. & Assets	40.4	43.4	-0.4	6.42
High Income Funds				
Cabot Income Trust	192.8	209.6	-1.6	6.04
(Accum. Units)	289.9	315.1	-2.1	6.04
High Income	64.1	68.6xd	-0.3	8.89
Cab. Extra Inc.	55.4	59.3	-0.2	10.00
Cab.Sm.Cos.Div.	41.1	44.0xd	-0.2	10.20
Cabot Pf. & Gilt	44.9	48.3xd	.....	13.53
Gilt Trust	48.9	50.9xd	-0.4	11.94
Sector Funds				
Financial & ITO	50.5	54.3	.....	1.97
Oil & Nat. Res.	68.2	74.1	-0.8	1.47
International				
International	51.6	56.1xd	+0.6	0.93
World Wide Oct. 31	158.2	168.3xd	+3.5	3.43
Overseas Funds				
Australian	89.4	97.2xd	+1.1	1.45
European	44.7	47.8xd	-0.2	3.08
Japan Trust	78.1	83.5	+0.5	0.80
Pacific Sm. Cos.	73.5	79.9xd	+1.3	1.56
North Amer.	44.2	47.7	-0.8	0.84
Cabot Am. Sm.	71.5	77.2xd	-0.8	0.58
Exempt Funds				
High Inc. Exempt(b).	—	100.0	.....	10.00
Smlr. Cos. (b)	141.6	147.5	-1.0	2.72
Euro Exempt Oct. 31.	117.2	122.1xd	.....	3.63
Japan Oct. 31	88.6	92.3	.....	0.78
NorthAmer. Oct. 31	147.2	153.9	.....	1.15

Hill Samuel Unit Tst. Mgrs.† (a)
45 Beech St., EC2P 2LX 01-628 8011

(b) British Trust	202.6	216.7	-0.5	4.43
(b) Capital Trust	38.8	41.5	+0.3	4.16
(g) Dollar Trust	77.0	82.4xd	-0.4	2.44
(b) Far East	26.5	28.4	.....	0.84
(b) Financial Trust	144.5	154.6xd	-1.8	3.83
(b) Gilt & Fxd. Int. Tst.	24.9	25.9	-0.1	11.73
(b) High Yield Tst	27.6	29.6	+0.6	9.77
(b) Income Trust	28.0	30.0xd	.....	7.87
(g) Int'l Trust	37.1	39.7	-0.1	2.71
(b) Security Trust	65.5	70.1	+0.5	4.45
(b) Spec. Sits. Tst	33.0	35.3	-0.4	2.67
Gen. Exempt Oct. 15	159.0	169.0xd	.....	4.89

Investment Intelligence Ltd.♥ (a)(g)
15, Christopher Street, E.C.2. 01-247 7243

Intel. Amer. Tech. Fd.	60.0	63.8	-0.7	0.20
Intel. Inc. & Growth	31.3	33.7	+2.0	7.90
Intel Pacific Fund	88.8	94.6	+2.3	1.20
Intel.Small Co's Fd.	90.8	96.7	-0.3	4.80

Key Fund Managers Ltd. (a)(g)
25, Milk St., EC2V 8JE 01-606 7070

Key Energy In.Fd.	201.7	214.6	-1.2	1.61
Key Equity & Gen.	84.6	90.0	-1.0	5.35
♦Key Exempt Fd.	216.6	230.5xd	.....	6.42
Key Income Fund	74.7	79.4	-0.4	9.73
Key Fixed Int. Fd.	50.7	54.0	.....	13.86
Key Small Co's Fd.	151.1	160.8	-0.7	5.15

Kleinwort Benson Unit Managers♥
20, Fenchurch St., EC3 01-623 8000

K.B. Unit Fd. Inc.	118.8	129.1	+1.4	5.83
K.B. UnitFd.Ac.	163.5	177.7	+3.3	5.83
K.B. Fd. Inc. Tsts.	79.6	86.3	.....	3.97
K.B.Fd.In.Tst.Acc.	86.7	94.1	.....	3.97
KBSmlrCo'sFdInc.	56.2	61.5xd	+0.9	6.32
KB.Sm.Cos.Fd.Acc.	62.1	68.1	+1.1	6.32
KB High Yld. Fd. Inc.	53.5	58.3	.....	9.39
KBHighYld.Acc.	61.1	66.6	.....	9.39

L. & C. Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800

L&C Inc. Fund	156.5	161.4	+2.1	9.92
L&C Intl & Gen Fd.	129.3	133.4	-2.8	2.51

Legal & General (Unit Tst. Mngrs.) Ltd.♥
5 Rayleigh Rd., Brentwood 0277 217238

Equity Trust Oct. 14	88.3	93.5	.....	4.43
(Accum. Units)	120.2	127.4	.....	4.43

Next sub. day November 12.

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114.

Leo Distribution	116.3	123.8	.....	1.87
Leo Accum.	136.0	144.3	.....	1.59

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥ (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

Balanced	69.0	74.1xd	-2.3	4.76
Do. (Accum.)	104.5	112.3	-1.3	4.76
Extra Income	62.1	66.7	-0.3	9.46
Do. (Accum.)	80.6	86.6	-0.4	9.46
Income	91.5	98.3xd	-0.8	7.43
Do. (Accum.)	143.0	153.7	-1.2	7.43
Int. Technology	62.7	67.4	-0.5	0.82
Do. (Accum.)	62.7	67.4	-0.5	0.82
Small Cos. & Recy.	50.8	54.6xd	-0.4	4.51
Do. (Accum.)	52.2	56.1	-0.3	4.51
Worldwide Gwth.	78.6	84.5	-0.5	2.26
Do. (Accum.)	103.3	111.0	-0.9	2.26
Exempt♦ Oct. 7	113.6	119.5xd	.....	7.23

♦Unauthorised. For tax exempt funds only.

Lloyd's Life Unit Tst. Mngrs. Ltd.
72-80, Gatehouse Rd., Aylesbury. 0296 5941

Equity Accum.	248.0	261.1	.....	4.59

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

Prop. Fund. Sept. 30.	144.80		.....	6.52
Wider Fund Sept. 30.	289.60		.....	5.70
Narrower Fd. Sept. 30.	77.75		.....	12.77

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588
See also Stock Exchange Dealings.

American	55.5	59.1	[illegible]	2.28
(Accum. Units)	58.9	62.7	[illegible]	2.28
American Recovery	58.3	61.8xd	[illegible]	1.84
(Accum. Units)	60.0	63.6	[illegible]	1.84
Australasian	135.3	144.1	[illegible]	0.55
(Accum. Units)	141.3	150.5	[illegible]	0.55
Commodity	141.2	150.4	[illegible]	3.07
(Accum. Units)	164.1	174.8	[illegible]	3.07
Compound Growth	168.8	184.2	[illegible]	3.34
Conversion Growth	125.6	131.6	[illegible]	2.93
Conversion Inc.	77.4	82.4	[illegible]	9.65
Dividend	134.2	145.6	[illegible]	9.28
(Accum. Units)	287.6	312.0	[illegible]	9.28
European	68.2	72.6	+0.7	3.52
(Accum. Units)	73.7	78.5	+0.7	3.52
Extra Yield	82.2	89.2xd	-0.1	10.68
(Accum. Units)	128.8	139.8	-0.2	10.68
Far Eastern	95.2	101.4	+1.5	1.55
(Accum. Units)	108.5	115.6	+1.8	1.55
Fund of Inv. Tsts.	93.2	100.2	+0.4	4.53
(Accum. Units)	123.1	132.3	+0.6	4.53
General	229.6	246.8	+0.1	5.73
(Accum. Units)	388.7	417.9	.....	5.73
High Income	111.5	118.7	-0.2	10.12
(Accum. Units)	214.3	228.3	-0.4	10.12
Japan	142.2	151.7	[illegible]	0.70
(Accum. Units)	148.8	158.5	[illegible]	0.70
Magnum	397.6	419.5	[illegible]	4.31
(Accum. Units)	539.5	569.2	[illegible]	4.31
Midland	157.1	167.3	[illegible]	10.02
(Accum. Units)	300.8	320.4	[illegible]	10.02
Recovery	123.1	131.1	[illegible]	6.36
(Accum. Units)	135.6	144.4	[illegible]	6.36
Second Gen.	244.5	265.3	[illegible]	4.90
(Accum. Units)	400.3	434.3	[illegible]	4.90
Smaller Companies	270.5	288.1	[illegible]	4.00
(Accum. Units)	364.7	388.4	[illegible]	4.00
Specialised Funds				
Trustee	172.5	182.0xd	.....	6.87
(Accum. Units)	380.6	401.5	+0.1	6.87
Charibond Oct. 28	—	107.3	.....	13.32
Charifund Oct. 28	171.6	174.2	.....	8.53
Pension Ex. Oct. 27	177.7	187.5xd	.....	6.06

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	80.9	85.2	+1.5	5.06

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Oct. 20	106.4	112.0	.....	9.47
General Oct. 20	70.6	74.3	.....	6.12
Intnl. Oct. 20	52.7	55.5	.....	2.85

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Mrc. Gen. Oct 29	67.0	71.2	.....	3.91
Acc. Units Oct. 29	95.6	101.7	.....	3.91
Mrc. Int. Oct. 29	94.3	100.3	.....	2.80
Acc. Units Oct. 29	107.9	114.8	.....	2.80
Merc. Ext. Oct. 29	78.6	81.8	.....	5.82
Accum. Units Oct. 29	103.3	107.6	.....	5.82

Midland Bank Group
Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	125.1	[illegible]	[illegible]	3.30
Acc. Uts.	157.2	[illegible]	[illegible]	3.30
Overseas Growth	43.9	[illegible]	[illegible]	2.34
Do. Accum.	49.4	[illegible]	[illegible]	2.34
Capital	34.1	[illegible]	[illegible]	3.95
Do. Accum.	40.1	[illegible]	[illegible]	3.95
Income	61.0	[illegible]	[illegible]	6.95
Do. Accum.	79.6	[illegible]	[illegible]	6.95
North American	41.0	[illegible]	[illegible]	2.57
Do. Accum.	46.3	[illegible]	[illegible]	2.57
High Yield	60.2	[illegible]	[illegible]	9.67
Do. Accum.	75.7	[illegible]	[illegible]	9.67
Japan & Pacific	45.1	[illegible]	[illegible]	0.92
Do. Accum.	46.1	[illegible]	[illegible]	0.92
Gilt & Fixed Int. Tst.	48.2	[illegible]	[illegible]	12.45
Do. Accum.	48.2	[illegible]	[illegible]	12.45
Equity Exempt*	140.5	[illegible]	[illegible]	3.96
Do. Accum.*	151.2	[illegible]	[illegible]	3.96

*Prices at Oct. 31. Next dealing Nov. 7.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Oct. 27	40.7	42.7	.....	8.86
Exempt Oct. 31	101.5	105.5	+1.4	9.32

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	80.2	84.2	.....	3.70

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

Murray European	60.8	64.7	.....	2.33

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
Broad St. Avenue, Blomfield St., EC2. 01-638 3911-2

Mutual Sec. Plus	58.0	62.3	-0.5	6.88
Mutual Inc. Tst	84.0	90.0xd	-0.5	7.18
Mutual Blue Chip	53.2	57.4	-0.4	6.44
Mutual High Yld.	56.6	60.7	-0.2	10.03

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth.Un.Tst.	64.5	68.7	.....	6.10
(Accum. Units)*	86.1	91.7	.....	6.10
NPI O'seas Trust	174.2	184.8	.....	2.60
(Accum. Units)**	198.3	209.9	.....	2.60

*Prices on Oct. 29. Next dealing Nov. 11.
**Prices on Oct. 30. Next dealing Nov. 27.

National Westminster♥ (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	101.6	109.2	-0.5	3.72
Extra Inc.	57.1	61.3xd	-0.4	10.22
Financial	45.6	49.0	-0.4	4.84
Growth Inv.	103.5	111.2	-1.2	4.66
Income	40.9	43.9	-0.5	7.26
Portfolio Inv. Fd.	83.5	87.4	-1.0	5.79
Smaller Companies	56.0	60.2	.....	5.15
Universal Fd.	56.0	60.2xd	-1.2	2.31

NEL Trust Managers Ltd.♥ (a)(g)
Milton Court, Dorking, Surrey. 5911

Nelstar	81.3	85.5xd	-1.0	5.83
Nelstar High Inc.	36.8	38.7	-0.3	10.42
Nelstar International	49.4	52.5	-0.3	3.75

Northgate Unit Trust Managers Ltd. (c)(y)
20, Moorgate, EC2R 6AQ 01-606 4477

Northgate Oct. 30	106.3	113.1xd	.....	4.63
(Accum. Units)	110.9	118.0	.....	4.63

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fund	446.9	470.4	-4.2	5.68

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	30.5	32.9	-0.3	5.05
Accum Units	39.3	42.3	-0.4	5.05
Pearl Inc.	35.5	38.2xd	-0.3	7.35
Pearl Unit Tst.	42.9	46.2	-0.4	6.27
(Accum. Units)	60.6	65.2	-0.6	6.27

Pelican Units Admin. Ltd. (g)(x)
57-63, Princess St., Manchester. 061-236 5685

Pelican Units	119.1	128.0xd	-1.1	5.54

Perpetual Unit Trust Mngmt.♥ (a)
48, Hart St., Henley on Thames 04912 6868

P'petual Gp. Growth	63.4	68.5	.....	4.56
P'petual Gp. Income	50.1	54.0xd	.....	8.43

Practical Invest. Co. Ltd. (y)(c)
44, Bloomsbury Sq., WC1A 2RA 01-623 8893

Practical Oct. 29	198.7	211.0	.....	4.44
Accum. Units	307.8	326.8	.....	4.44

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2. 01-247 6533

Prolific Units	111.9	119.9xd	-0.8	3.35
Prolific High Inc.	144.2	154.5xd	-1.2	7.79

Prudl. Portfolio Mngrs. Ltd.♥ (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	164.5	174.5xd	-2.0	5.00

Quilter Management Co. Ltd.♥
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	149.1	155.4	+2.7	5.35
Quadrant Income	119.3	123.2	+1.9	8.23
Quadrant Intl. Fund	134.8	139.0	.....	1.51
Quadrant Recovery	106.3	109.6	+0.5	5.94

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fund	80.2	85.7	.....	6.02
Sekforde Tst. (Acc.)	49.5	52.7	-0.1	5.79
Sekforde Tst. Inc.	43.7	46.7xd	-0.1	5.79

Ridgefield Management Ltd.
1 Finsbury Sq., EC2A 1PD 01-588 6906

Income UT	79.1	85.1	-0.3	12.85
International UT	114.2	122.8	-0.9	1.68

Rothschild Asset Management (g) (z)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N. C. Equity Fund	203.2	216.1xd	-2.6	4.47
N.C. Engy. Res. Tst.	206.1	219.3xd	-3.9	2.32
N.C. Income Fund	143.2	152.3xd	-6.5	8.70
N.C. Intl. Fd. (Inc.)	111.5	118.6	-1.7	1.35
N.C. Intl. Fd. (Acc.)	116.2	123.6	-1.8	1.35
N.C. Smlr Coys Fd.	233.1	248.0	-1.9	4.48

Rowan Unit Trust Mngt. Ltd.♥ (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American Oct. 30	83.5	86.5xd	.....	1.15
Securities Oct. 28	262.0	273.0	.....	3.79
High Yield Oct. 31	62.6	65.9	+1.5	9.06
(Accum. Units)	101.1	106.5	+2.5	9.06
Merlin Oct. 29	134.4	141.5	.....	2.49
(Accum. Units)	176.9	186.3	.....	2.49

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fund	89.9	94.6	+1.6	4.76
Income Fund	69.0	74.1	-1.9	10.21

Prices on October 31. Next dealing day November 14.

Saturn Fund Management Limited
66, Cannon Street, EC4N 6AE 01-236 1425

SIMCO Call Fund†	100.0		.....	17.39
SIMCO 7-Day Fund†	100.0		.....	17.15

†Unauthorised. Cash Deposit Funds.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds				
Capital	43.4	46.6	-0.2	3.13
I.T.U.	34.9	37.5xd	-0.4	4.04
Select International	355.6	375.3xd	-2.1	2.65
Univ. Growth	95.4	102.5xd	+1.4	1.60
Increasing Income Funds				
High-Yield	55.2	59.3xd	-0.5	8.82
Select Income	55.1	59.2xd	-0.4	7.85
High Income Funds				
Gilt & Fxd. Int. Inc.	50.2	53.8	-0.4	11.81
High Return	63.0	67.7	-0.6	9.99
Income	42.8	46.0	-0.3	10.50
U.K. Funds				
Gilt & Fxd. Int. Grth.	52.1	52.7	-0.2	5.03
UK Equity	61.6	66.2	-0.6	4.35
Overseas Funds (z)				
Europe	76.6	82.3	+0.2	2.04
Japan	84.3	90.6	+0.2	0.55
S.E. Asia	69.1	74.3	+2.6	0.79
U.S.	92.6	99.5	-1.1	1.29
Sector Funds				
Commodity	153.0	164.5	+0.1	2.73
Energy	162.2	174.4	-2.6	1.09
Financial Secs.	86.4	92.9	.....	3.73
Fixed-Interest Fund (z)				
Intl. Bond Fd.	56.1	59.8	-0.1	3.95
Exempt Funds♦				
Exempt Income*	194.9	205.8	.....	7.69
Exempt Intl.*	330.4	348.8	.....	1.91

*Prices at Oct. 22. Next sub. day Nov. 12.

Scotbits Securities Ltd.

Scotbits	50.4	54.1	-0.4	4.09
Scotyield	51.9	55.8	-0.4	9.25
Scotshares	82.1	88.2	-0.6	4.54

J. Henry Schroder Wagg & Co. Ltd.♥(a)(c)
120, Cheapside, E.C.2. 01-240 3434

Capital Oct. 31	154.3	165.9xd	-2.3	3.16
(Accum. Units)	198.3	213.2	-0.4	3.16
Income Fd. Oct. 31	225.8	242.7	+8.8	7.87
(Accum. Units)	376.8	405.1	+14.8	7.87
Gen. Oct. 31	118.1	126.9	-1.2	4.46
(Accum. Units)	157.3	169.6	-1.6	4.46
Europe Oct. 31	23.3	25.1xd	-1.1	3.71
(Accum. Units)	27.4	29.4	-1.3	3.71
Smaller Co's. Oct. 31	144.0	153.0	+17.0	2.17
*Ph. & Ch. Fd. Oct. 21	227.9	234.5	.....	4.66
*Recovery Oct. 28	277.7	286.2	.....	4.54
*Spec. Ex. Oct. 28	410.9	423.6	.....	2.67

*For tax exempt funds only.

Scottish Equitable Fnd. Mgrs. Ltd.♥
28 St. Andrews Sq. Edinburgh 031-556 9101

Income Units	64.2	68.3xd	.....	5.09
Accum. Units	81.7	86.9xd	.....	5.09

Dealing day Wednesday.
For Sebag see Carr, Sebag Unit Trust Managers.

Security Selection Ltd.
Regis Hse., King William St., EC4. 01-623 4951.

Unvl Gth Tst Acc	37.4	39.8	.....	7.54
Unvl Gth Tst Inc	28.8	30.7	.....	7.54

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	74.9	79.8xd	.....	1.55
Accum. Units	82.3	87.8	.....	—
Withdrawal Units	52.7	56.2	.....	—
*Stewart British Capital Fund				
Standard	182.1	192.5	.....	6.65
Accum. Units	211.9	224.1	.....	6.65

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Ex. Eq. Oct. 8	£318.40	335.20	.....	4.87
♥The Family Fd.	131.3	139.6	-1.4	5.27

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	70.6	[illegible]	[illegible]	1.98
Energy	52.8	[illegible]	[illegible]	2.49
Financial	96.3	[illegible]	[illegible]	4.05
Gilt Capital	137.8	[illegible]	[illegible]	3.50
Gilt Income	97.3	[illegible]	[illegible]	11.89
Investment Trust	46.3	[illegible]	[illegible]	3.96
Special Situations	31.8	[illegible]	[illegible]	3.69
American Eagle	34.8	[illegible]	[illegible]	1.17
Pacific Income	31.6	[illegible]	[illegible]	1.92
Pacific Accum.	34.7	[illegible]	[illegible]	1.92
Income	24.9	[illegible]	[illegible]	11.06
Extra Income	52.0	[illegible]	[illegible]	11.74
Preference Share	12.1	[illegible]	[illegible]	13.00
Equity	51.2	[illegible]	[illegible]	5.70
Income and Growth	50.8	[illegible]	[illegible]	5.00
Growth	32.0	[illegible]	[illegible]	3.64
Professional Oct. 29	231.9	[illegible]	[illegible]	4.36
Equity Ex. Inc. Oct. 29	294.4	[illegible]	[illegible]	5.82
Equity Ex. Acc.	448.1	[illegible]	[illegible]	5.82
Carliol High Yld.	36.0	[illegible]	[illegible]	10.25
Carliol Accum.	53.9	[illegible]	[illegible]	10.25

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX. 01-628 2612.

Income & Growth	23.0	24.2xd	-0.2	8.55
Special Situations	32.4	34.0	-0.2	2.12

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUI Oct. 1	60.2	64.1xd	.....	5.62

Transatlantic and Gen. Secs. (c) (y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican Oct. 30	91.5	[illegible]	.....	6.09
(Accum. Units)	155.9	[illegible]	.....	6.09
Barb. Exempt Sept. 29	63.5	[illegible]	.....	2.94
Buckingham Oct. 30	77.9	[illegible]	.....	5.28
(Accum. Units)	134.4	[illegible]	.....	5.28
Colemco Oct. 31	176.9	[illegible]	+1.6	5.95
(Accum. Units)	239.9	[illegible]	+2.1	5.95
Cumberland Oct. 29	65.3	[illegible]	.....	8.72
(Accum. Units)	69.7	[illegible]	.....	8.72
Fielding Int. Oct. 30	106.1	[illegible]	.....	2.44
(Accum. Units)	106.1	[illegible]	.....	2.44
Glen Oct. 28	73.0	[illegible]	.....	3.77
(Accum. Units)	102.1	[illegible]	.....	3.77
Marlborough Oct. 28	63.4	[illegible]	.....	2.57
(Accum. Units)	77.0	[illegible]	.....	2.57
Vangrd. Gwth. Oct. 28	65.3	[illegible]	.....	2.94
(Accum. Units)	85.2	[illegible]	.....	2.94
Vangrd. HY Oct. 28	72.3	[illegible]	.....	9.51
Vangd. Tst. Oct. 29	54.2	[illegible]	.....	5.60
(Accum. units)	63.2	[illegible]	.....	5.60
Wickmoor Oct. 30	83.7	[illegible]	.....	4.29
(Accum. Units)	108.4	[illegible]	.....	4.29
Wickmoor Dv. Oct. 31	68.8	[illegible]	+0.9	9.72
(Accum. Units)	92.2	[illegible]	+1.3	9.72

Tyndall Managers Ltd.(a)(b)(c)
18, Canynge Road, Bristol. 0272 32241
24, Castle St., Edinburgh. 031 225 1168

Capital	180.2	[illegible]	-1.8	[illegible]
(Accum. Units)	274.2	[illegible]	-2.8	[illegible]
Income	96.4	[illegible]	-1.0	[illegible]
(Accum. Units)	206.8	[illegible]	-2.0	[illegible]
Pref.	92.8	[illegible]	[illegible]	[illegible]
(Accum. Units)	142.0	[illegible]	[illegible]	[illegible]
Exempt	126.2	[illegible]	-1.4	[illegible]
(Accum. Units)	205.8	[illegible]	-2.0	[illegible]
Int. Erns.	119.4	[illegible]	-4.4	[illegible]
(Accum. Units)	195.8	[illegible]	-5.4	[illegible]
North Amer. Grth.	54.7	[illegible]	-0.7	[illegible]
(Accum. Units)	55.6	[illegible]	-0.7	[illegible]
Far Eastern	58.6	[illegible]	+0.9	[illegible]
(Accum. Units)	59.0	[illegible]	+1.0	[illegible]
Gilt Income	100.1	[illegible]	-0.5	[illegible]
(Accum. Units)	100.1	[illegible]	-0.5	[illegible]
Natural Resources	196.2	[illegible]	-3.4	[illegible]
Accum. Units	255.0	[illegible]	-4.4	[illegible]
Scot. Inc.	162.2	[illegible]	-0.8	[illegible]

London Wall Group 0272 32241

Capital Growth	83.9	89.8	-0.9	4.61
Do. Accum.	97.3	104.2	-1.0	4.61
Extra Inc. Growth	25.8	27.9xd	-0.2	11.25
Do. Accum.	37.8	40.9	-0.3	11.25
Financial Pr'rty	26.1	28.0	-0.2	3.73
Do. Accum.	34.6	37.1	-0.3	3.73
High Inc. Priority	46.0	49.7	-0.5	11.69
International	28.0	30.0xd	.....	2.61
Special Sits.	34.9	37.4	-0.4	4.71

TSB Unit Trusts (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG. 0264 62188. Dealings to 0264 63432-3

(b)TSB General	59.9	64.5	-0.7	4.51
(b) Do. Accum.	83.0	89.3	-1.1	4.51
(b) TSB Income	66.1	71.1	-0.5	8.33
(b) Do. Accum.	78.1	84.0	-0.6	8.33
(b)TSB Scottish	106.5	114.6xd	-0.7	2.66
(b)Do. Accum.	120.6	129.7	-0.8	2.66

Ulster Bank♥ (a)
Waring Street, Belfast. 0232 35231

(b)Ulster Growth	40.9	43.9	-0.4	5.60

Unit Trust Account & Mgmt. Ltd.
Regis Hse, King William St, EC4R 9R. 01-623 4951

Friars Hse. Fund	56.1	59.7	.....	4.55
Wieler Growth Fund				
Income Units	38.0	40.0	.....	4.09
Accum. Units	47.5	50.0	.....	4.09

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Equity Fund	46.3	[illegible]	[illegible]	—
Equity Acc.	42.9	[illegible]	[illegible]	—
Property Fd.	197.6	[illegible]	[illegible]	—
Property Acc.	223.9	[illegible]	[illegible]	—
Selective Fund	126.3	[illegible]	[illegible]	—
Convertible Fund	154.5	[illegible]	[illegible]	—
♥Money Fund	144.0	[illegible]	[illegible]	—
Prop. Fd. Ser. 4	178.6	[illegible]	[illegible]	—
Man. Fd. Ser. 4	174.6	[illegible]	[illegible]	—
♥Equity Fd. Ser. 4	48.4	[illegible]	[illegible]	—
♥Conv. Fd. Ser. 4	131.3	[illegible]	[illegible]	—
♥Money Fd. Ser. 4	129.6	[illegible]	[illegible]	—
♥Fixed Interest Fd.	104.5	[illegible]	[illegible]	—
♥High Income Fd.	94.5	[illegible]	[illegible]	—
♥American Fd.	98.7	[illegible]	[illegible]	—
Pension Property	262.4	[illegible]	[illegible]	—
Pension Selective	125.2	[illegible]	[illegible]	—
Pension Managed	250.2	[illegible]	[illegible]	—
Pension Security	177.7	[illegible]	[illegible]	—
Pension Equity Fd.	240.2	[illegible]	[illegible]	—
Pension Fixed Int.	97.3	[illegible]	[illegible]	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

♥Equity Fd. Acc.	261.7	275.4	.....	—
♥Fixed Int. Acc.	176.7	186.0	.....	—
♥Gtd. MoneyFd.Ac.	137.1	144.3	.....	—
♥Intl. Man.Fd.Acm	153.8	161.8	.....	—
♥Intl. Fxd. Int. Fd.J.	97.4	102.5	.....	—
♥Prop.Fd.Acc.	139.8	147.1	.....	—
♥M'ple Inv. Acc.	221.1	232.7	.....	—
Equity Pen.Fd.Acc	341.7	359.7	.....	—
Fixed I.Pen.Acc	261.8	275.6	.....	—
G'td. Mon.Pen.Acc	174.1	183.2	.....	—
Intl. Mn.PnFdAcc	178.2	187.5	.....	—
Prop.Pen.Acc.	174.7	183.8	.....	—
M'ple Inv.Pen.Acc	305.7	321.7	.....	—

AMEV Life Assurance Ltd.♥
2-6, Prince of Wales Rd., B'mouth. 0202 762122

AMEV Managed	173.7	183.0	+3.1	—
AMEV Mgd. 'B'	138.7	146.1	+5.3	—
AMEV Money Fd.	127.2	133.9	.....	—
AMEV Equity Fd.	139.7	147.2	.....	—
AMEV Fixed Int.	85.9	90.5	.....	—
AMEV Prop. Fd.	128.3	135.2	+0.9	—
AMEV Mgd. Pen. Fd. B	125.8	132.5	+7.2	—
AMEV Mgd. Pen.	132.3	139.4	+7.9	—
Flexifund	106.5	112.2	+1.0	—
AMEV/Framlington				
American	109.9	115.8	.....	—
Income	110.6	116.5	.....	—
Int. Growth	121.4	127.9	.....	—
Capital Fund	118.7	125.1	.....	—

Barclays Life Assur. Co. Ltd.
252 Romford Rd., E7. 01-534 5544

Barclaybonds	156.0	164.3	-1.7	—
Equity	152.7	160.8	-1.6	—
Gilt-edged	123.0	129.5	-1.0	—
Property	151.8	159.8	.....	—
International	104.2	109.7	-0.1	—
Managed	135.1	142.3	-0.9	—
Money	118.3	124.6	.....	—
Man.Pens.Accum.	150.5	158.5	.....	—
Do. Initial	137.2	144.5	.....	—
Gilt EdgPens.Acc.	137.2	144.5	.....	—
Do. Initial	122.0	128.5	.....	—
Money Pens. Acc.	132.4	139.4	.....	—
Do. Initial	118.7	125.0	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		162.92	+6.49	—
Managed Inv. Fd.	115.75	121.85	+2.40	—
Property Fd.	111.95	117.85	+1.13	—
Fixed Interest Fd.	107.77	113.45	+1.86	—
Cash Fd.	111.71	117.59	+1.01	—
Income Fd.	107.18	112.83	+2.46	—
Extra Income Fd.	108.16	113.86	+4.08	—
Worldwide Growth Fd.	137.46	144.70	+7.05	—
Balanced Fd.	114.98	121.04	+5.55	—
Smlr Co's & Recy.Fd.	107.13	112.77	+4.84	—
Int. Technology Fd.	128.60	135.37	+7.54	—

Canada Life Assurance Co.
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth. Fd. Oct. 1	71.1		.....	—
Retmt. Fed. Oct. 6	152.6		.....	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£24.76		-0.04	—
Property Units	£13.32		.....	—
Equity Bond/Exec	£16.56	17.52	-0.04	—
Prop. Bond/Exec.	£17.47	18.49	.....	—
Bal. Bd./Exec/Unit	£17.32	18.35	-0.05	—
Deposit Bond	134.1	141.9	.....	—
Equity Accum.		290.5	-0.6	—
Property Accum.		£18.24	.....	—
Mngd. Accum.		234.3	-0.4	—
2nd Equity	132.8	139.7	-0.3	—
2nd Property	136.1	144.0	.....	—
2nd Managed	128.3	135.8	-0.2	—
2nd Deposit	117.4	124.2	.....	—
2nd Gilt	107.2	113.4	-0.3	—
2nd American	105.4	111.5	-2.7	—
2nd Intl. Money	98.3	104.0	+0.1	—
2nd Eq. Pens./Acc.	157.8	167.0	-0.4	—
2nd Prp. Pens/Acc.	154.5	163.5	.....	—
2nd Mgd. Pens/Acc.	145.2	153.7	-0.3	—
2nd Dep. Pens/Acc.	133.8	141.6	.....	—
2nd Gilt Pens/Acc.	121.3	128.4	-0.3	—
2nd Am. Pens/Acc.	118.0	124.9	-3.9	—
2ndInt. MoneyPens/Acc	99.0	104.8	+0.1	—
L & E S.I.F.	[illegible]	56.0	.....	—
L & E S.I.F. 2	36.5	39.0	.....	—

Current value Oct. 30.

Capital Life Assurance♥
Coniston House, Chapel Ash W'ton. 0902 28511

Key Invest. Fd.		1.1129	.....	—
Pacemaker Inv. Fd.		0.8929	.....	—

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82⅞	72	Do. 7½pc '83-86	82	–¼	9.45	12.71
96¼	88	Sth. Africa 9½pc '79-81	94½xd	......	10.02	15.13
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169	133	Do. 6pc '78-81 N.-As.	151	......	—	24.18

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Central African

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Australian

Tins

Copper

Miscellaneous

180	78½	Anglo-Dominion	155	......	—	—	—
97	51	Barymin	52	......	0.62	1.1	6.0
17	12	Burma Mines 10p	15	......	—	—	—
325	53	Colby Res. Corp.	310	......	—	—	—
502	250	Cons. Murch. 10c.	260	......	t030c	1.6	6.6
180	80	††Hemerdon 10c.	95	......	—	—	—
585	325	Northgate C$1	475	−25	—	—	—
*486	322	R.T.Z.	470	−10	t16.0	3.2	4.9
49	16	Robert Mines	381½	−2½	—	—	—
128	91	††SPO Minerals 10p	128	......	—	—	—
58	26	Sabina Inds. C$1	44	......	—	—	—
51	31	††SWCM 10p	37	......	—	—	—
650	411	Yara Expln. $1	545	+10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
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- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- Figures or report awaited.
- †† Unlisted security.
- Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- Excluding a final dividend declaration.
- Regional price.
- 0 No par value.

Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	38	......	Conv. 9% '80/82	£94	+¼
Bertam	14	−1	Nat. 9¾% 84/89	£82¾	......
Bdg'wtr. Est. 50p	400	......	Fin. 13% 97/02	£83½	......
Craig & Rose £1	£11	......	Alliance Gas	51	......
Fife Forge	41	+2	Arnott	202	......
Finlay Pkg. 5p	27	......	Carroll (P.J.)	88	+3
Graig Ship. £1	£25	......	Clondalkin	105	......
Higsons Brew	67	......	Concrete Prods.	65	......
Holt (Jos) 25p	285	+2	Heiton (Hldgs.)	33	......
I.O.M. Stm. £1	169	......	Ins. Corp.	330	......
Pearce (C. H.)	599	......	Irish Ropes	37	......
Peel Mills	49	......	Jacob	31½xd	......
Sheff. Refrshmt	95	......	T.M.G.	53	......
Sindall (Wm.)	141	......	Unidare	60	......

OPTIONS

3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	25	Utd. Drapery	[illegible]
BOC Intl.	8	"Imps"	6½	Vickers	[illegible]
B.S.R.	4½	I.C.L.	16	Woolworths	[illegible]
Babcock	8	Inveresk	3	**Property**	
Barclays Bank	40	Ladbroke	24	Brit. Land	8
Beecham	12	Legal & Gen.	20	Cap. Counties	[illegible]
Blue Circle	30	Lex Service	10	Land Secs.	[illegible]
Boots	20	Lloyds Bank	25	MEPC	[illegible]
Bowaters	17	"Lofs"	4	Peachey	[illegible]
B.A.T.	25	London Brick	6	Samuel Props.	[illegible]
Brown (J.)	[illegible]	Lucas Inds.	17	Town & City	[illegible]
Burton 'A'	10	"Mams"	16	**Oils**	
Cadburys	6	Mrks. & Spncr	9	Brit. Petroleum	[illegible]
Courtaulds	8	Midland Bank	32	Burmah Oil	[illegible]
Debenhams	8	N.E.I.	7	Charterhall	[illegible]
Distillers	17	Nat. West. Bank	32	KCA	[illegible]
Dunlop	9	P & O Dfd.	12	Premier	[illegible]
Eagle Star	24	Plessey	22	Shell	[illegible]
F.N.F.C.	5	Racal Elect.	35	Tricentrol	[illegible]
Gen. Accident	32	R.H.M.	4	Ultramar	[illegible]
Gen. Electric	50	Rank Org.	16	**Mines**	
Glaxo	22	Reed Intnl.	18	Charter Cons.	[illegible]
Grand Met.	14	Sears	5	Cons. Gold	[illegible]
G.U.S. 'A'	42	Tesco	6	Lonrho	[illegible]
Guardian	32	Thorn	28	Rio T. Zinc	[illegible]
G.K.N.	16	Trust Houses	10		
Hawker Siddl	28	Tube Invest.	21		
House of Fraser	15	Unilever	42		
		U.D.T.	5		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Saturday November 1 1980

MAN OF THE WEEK

A prison officer Zapata

BY PAULINE CLARK

TO THE Home Office civil servant worried about the attitude of Britain's prison officers, Mr. Colin Steel, chairman of the Prison Officers' Association presents a suitable caricature of a *bête noire*.

A plain speaking Bradford man with strong views about the working man's right to speak his mind, Mr. Steel has taken easily to the role of leader and spokesman in one of the most damaging industrial disputes to confront Mr. William Whitelaw since he has been Home Secretary.

He was thrown up as new chairman of the POA at the union's annual conference only last May after a two-year term as senior vice chairman and seven years on the executive.

Colin Steel
"*A Bradfordian with strong views about working men's rights*"

The meal breaks payment claim *at the heart of the* present trouble was then already a major issue and Mr. Steel was recognised as the obvious choice by delegates pressing for a more radical strategy in the fight over their grievances.

If civil servants in the Prison Department did not realise it before, they must now be uncomfortably aware that Mr. Steel's leadership arose as a result of the dispute which confronts them now.

Because of this background public criticism of the prison officers' industrial action has done little to divert Mr. Steel from his course. At the end of this week the Home Office agreed to more talks with the union on Tuesday and Mr. Steel's reaction was characteristic. "We will talk any time," he said yesterday. "But if they think that will stop us showing next week that we can step up industrial action if we want to, they have another think coming."

Aged 42, the big framed Zapata-moustached Mr. Steel identifies closely with the new generation of prison officer no longer prepared to obey orders without question at all times.

Unlike his traditional predecessor, today's prison officer is not nearly so likely to have been recruited from the armed forces. Discipline is a quality he learns within the confines of prison life, not something he brings with him.

Like so many of his colleagues being increasingly drawn from industry, Mr. Steel — who is now a principal officer at Horfield Prison, Bristol — joined the prison service in 1961 from engineering. He did in fact learn about discipline in the army as an infantryman between 1955 and 1958. But he came rather to despise the sort of mindless obedience to orders which, he says, prison officers are no longer prepared to tolerate.

The sort of anger that is being shown in the present dispute has long been evident, he says, in the resentment of prison officers of their treatment in their working lives. He instanced cases where prison officers had been told they would lose pay if they took time to dry off after standing in the rain for two hours in a prison exercise yard.

Unsocial hours and the prison service's reliance on excessive overtime — often about 20 hours a week—had contributed to low morale. Mr. Steel, divorced himself five years ago, points to the high divorce rate among his members.

During the past two or three years prison officers like Mr. Steel have grown increasingly unhappy about what they see as a lack of loyalty by the Prison Department in its failure to back sufficiently prison officers who are subjected to an increasing number of allegations of "misconduct" from prisoners.

Coupled with the *critical* overcrowding problems in Britain's prisons, Mr. Steel says all the ingredients for an industrial relations crisis in the service might have been seen by the Prison Department well in time to avoid the present militancy.

Jamaica's conservatives win landslide victory

BY CANUTE JAMES IN KINGSTON

THE CONSERVATIVE Jamaica Labour Party (JLP), led by Mr. Edward Seaga, has scored a landslide victory in country's general election. Final results will not be available until today, but Mr. Seaga could win up to 50 of the 60 seats in the lower house.

The Labour Party victory ended the 8½-year administration of the social democratic People's National party (PNP), led by Mr. Michael Manley. The Governor General, Mr. Florizel Glasspole, is expected to call on Mr. Seaga to form a government early next week.

Mr. Manley himself just managed to hold on to his East Central Kingston constituency with a significantly reduced majority, but both Mr. Percival Patterson, the former Deputy Prime Minister, and Mr. Hugh Small, the former Finance Minister, were defeated. In the previous Parliament, the PNP had 47 seats.

The results indicate widespread disenchantment with the Manley administration's handling of efforts to halt an almost continuous deterioration in the economy since 1974.

The economy was the central issue in the campaign, the bitterest and bloodiest in this island of 2.1m people.

The Manley Government broke off relations with the International Monetary Fund in March, arguing that the Fund's conditions for further assistance were too onerous, and that the island's economy, in which short-term foreign debt exceeds reserves by over US$500m (£204m), could better be assisted by money from friendly governments.

Mr. Seaga faces the immediate outbreak of violence and easing ate problems of curbing the island's economic woes. He has said the rise in criminal activity was caused by Mr. Manley's refusal to equip the police properly.

Mr. Seaga also campaigned on claims that he had identified sources of over $1bn in foreign financial assistance. He did not, however, say where he would get the money.

As soon as he enters office Mr. Seaga plans to slash public expenditure and make energetic efforts to obtain the foreign loans necessary to bridge the balance of payments gap, which is one of Jamaica's most promising economic problems.

A document published by his Labour Party on October 6 pledged to impose strict cash limits on ministries and state enterprises, and to curb the Government's recurrent expenditure while shifting new spending to the capital account.

The party also plans to "create a more buoyant economy to generate larger national revenues" and to denationalise some public enterprises, while keeping a tighter grip on major utilities which remain in the public sector.

The Labour Party sees the IMF as vital to economic reconstruction, and has claimed that the state of the island's economy was the result of eight years of socialist mismanagement by Mr. Manley's government.

Mr. Seaga, speaking on Thursday night at his party's headquarters in Kingston, renewed his attacks on Jamaica's links with neighbouring Cuba, saying he was displeased with Sr. Ulises Estrada, the Cuban Ambassador to Jamaica, and that he would be asking him to leave.

It is expected here that the new Government will significantly reduce connections with Havana, which has sent doctors and construction teams to Jamaica. Young Jamaicans are also being trained in construction techniques in Cuba.

Mr. Seaga said the election result was a victory over Communism in Jamaica. He has spoken in the past of taking Jamaica economically closer to the U.S. and it is expected here that talks he began with the IMF in June while still opposition leader, will be continued soon.

Mr. Manley said in conceding defeat on Thursday night that he hoped national unity would be possible, as the country faced many and severe difficulties which would not go away. He said he accepted the decision of the people, but warned the new Government that he would not tolrate any victimisation of his supporters.

The results have been challenged, however, by Dr. D. K. Duncan, general secretary of the PNP, who accused the army with being party to attempts to abort the democratic process. Dr. Duncan did not elaborate on his charges, but during the campaign he accused the army and the police of working towards the defeat of the PNP.

Scene Page 2

Car makers to cut jobs in France

By Terry Dodsworth in Paris

FRANCE'S leading motor companies are to axe more than 7,000 jobs in the next few months in the face of falling production and sales.

So far this year, most of the industry has managed to avoid redundancies, despite savage production cuts in some plants as early as last February. Instead, there has been extensive short-time working, while stocks have been run down. But now tougher measures are in prospect as financial difficulties increase.

Most of the redundancies will be at Peugeot and Talbot, two of the constituent companies in the Peugeot group, which recently forecast poor financial results for 1980.

Their joint aim is to cut their 116,000 workforce by a total of 4,000, following output reductions of 14 and 15 per cent respectively so far this year compared with 1979.

Renault, the State-owned motor group, is meanwhile seeking 2,500 redundancies among its 105,000 employees, *although its production has* been rising while it has been taking a market share from Peugeot. SEV, France's leading vehicle electrics manufacturer, will reduce its payroll by about 1,200. SEV recently announced a FFr *29.4m* (£4.8m) first-half loss, caused, it said, by the slump in the home market and tougher exporting conditions arising out of the strength of the franc.

Under French labour law, all the redundancy proposals will take time to implement, being subject to in-company discussions and vetting by labour inspectors. But the companies argue that they can no longer afford to delay action because of the high cost of temporary lay-off measures which give workers not much less than their normal salary.

The situation is particularly serious at Talbot, the former Chrysler France, whose sales are about 30 per cent down so far this year.

The Peugeot Automobiles side of the group has itself seen its sales in France fall by about 17 per cent.

THE LEX COLUMN

Currency cauldron bubbles again

Familiar and unsettling signs of strain in the world's financial markets have become increasingly evident this week. Spot oil prices have been rising, major currencies have been moving in an uncomfortably volatile fashion, and a surge in dollar interest rates has set warning signals flashing in the bond markets.

Two interconnected problems lie behind these developments. First is the growing realisation that the Iran-Iraq conflict is not going to be a nine days' affair, but could have quite long-term implications for the world oil supply-demand balance. At present there seems to be no overall shortage despite the fact that 4m barrels a day of production have been taken out of the system. But there is no adequate safety margin, and any extra supplies are having to come from producers like Saudi Arabia and Kuwait which are already having difficulty in finding ways of investing their surplus funds.

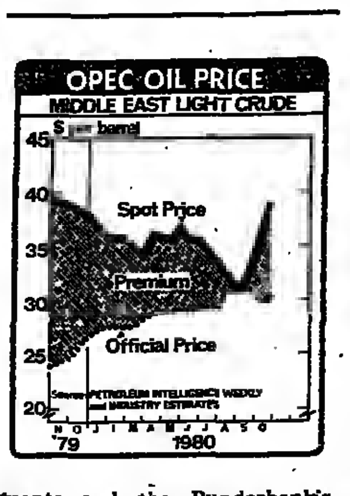
Although the spot price has risen sharply in recent weeks it is still possible to argue—as brokers Wood Mackenzie do in their latest oil newsletter—that there is unlikely to be any lean in official OPEC prices in the coming months. But the position is finely balanced, and the trouble is that when the Saudis lift an extra 1m barrels a day they are amassing extra income of something like $12bn a year for their investment advisers to deploy.

The second problem is the continuing marked instability of dollar interest rates, which have been rising sharply although they are still well below their peaks of last spring. Bank prime rates have climbed by nearly four points from their midsummer lows, and there is no reason to think they have peaked yet. The rises, which reflect the U.S. Federal Reserve Board's attempts to grapple with an overshooting money supply, have been causing havoc to the U.S. bond market in the past few days and even the American equity market — which had shown surprising resilience — seems to have lost its nerve for the moment.

High interest rates have served to push up the dollar on the foreign exchanges, and coming at a time when large amounts of footloose OPEC funds are sloshing around the system, this has resulted in great pressure on certain other currencies. In particular the Deutsche Mark has been rendered vulnerable by the adverse German balance of payments and the Bundesbank's wish to reduce the already relatively low level of DM interest rates. In the middle of all this, sterling has advanced ever higher, generating increasing alarm in British industry which culminated in this week's CBI plea for a four-point cut in Minimum Lending Rate.

In fact the prospect of an early cut in MLR has distinctly receded. The setback in both gilt-edged and equities yesterday, after relatively steady performances in the previous four days, reflected views that no change is now likely until the Government can come up with some sort of economic package towards the end of the month, and it may take still longer than that. In the meantime another set of monthly banking figures is due on Tuesday, and they are not expected to be encouraging.

Index fell 6.3 to 486.5



Thorn EMI

Thorn EMI has now made all the major disposals of EMI assets that it plans. Yesterday's £16m sale of leisure interests to Trusthouse Forte brings the total raised through disposals—taking in the hotels and scanner divisions—to £55m this year, reducing the EMI purchase price to £100m or so. In spite of the three cash deals, Thorn EMI's debt will remain at about 50 per cent of shareholders' funds—a level of gearing that the group will be unwilling to see rise.

But the cash needs of the company are now beginning to make themselves felt, with the main pressure the need to replace the vintage TV rental sets of the Barber boom in the early 1970s. Capital spending on rental will be £150m this year—a level which will rise to about £200m in 1980 money by 1984. Meanwhile, the domestic Thorn divisions are feeling the squeeze from import competition and will only just be able to satisfy their own cash requirements. The need for cash may well increase after 1984 since as well as continued TV and videocassette rental needs, the company will then be spending heavily in its attack on the European video-disc market.

So the company must clearly be considering the possibility of raising fresh equity at some stage. With an eager stock market short of opportunities to invest in the electronics field this should not prove a major problem—although the group will need to demonstrate that it has got its problem areas into order. One sufferer may be the film division, where the operations are shrinking with the freeze on its financial facilities.

GUS

Sir Isaac Wolfson's reassurance each autumn in the annual report of Great Universal Stores that the group's profits are once again higher in the early months of the current year is normally as reliable an event as Guy Fawkes Day. So it is a sign of the gravity of the recession now affecting the retail trade that this year Sir Isaac can only report that after five months profits before tax were "near to" the comparable level. Mail order has more or less held steady, an impressive achievement given the setbacks elsewhere in the sector, while the finance side has been boosted by high interest rates, but GUS's chain stores and manufacturing operations have gone backwards.

The latest from GUS is that the six months figures will be within striking distance of last year, even though the group will not be benefiting from a clawback of unearned HP reserves of the kind that sometimes boosts its profits in a recession—this time credit business has remained stronger than usual in a weak period for retail spending, though clearly any further increase in the provision will be much less than the £11.1m of April-September 1979.

But although trade remains bad, GUS's balance sheet is as strong as ever, with a rise in end-March liquid balances from £83.1m to £98.4. Plainly the group will be looking for more opportunities to pick up new businesses, like the recent takeover of the debts and asset list of John Myers, and it reports that asking prices are becoming less fancy.

Labour Right opposes latest move in leadership conflict

BY RICHARD EVANS, LOBBY EDITOR

THE CONFLICT between the Right and Left of the Labour Party over the future method of electing the leader increased sharply yesterday with criticism of the latest *proposal* from the party's National Executive Committee.

Right-wing MPs objected strongly on three grounds to the draft constitutional amendment sent by the Left-dominated NEC to all local Labour Parties and affiliated organisations ahead of the special conference at Wembley on January 24.

This conference will decide the new formula for electing the leader on a wider franchise than the present Parliamentary Labour Party.

Prospects are growing of a fundamental division at the conference between those who want some form of electoral college to include *trade* union and local constituency representatives as well as MPs, and those who want to see all members of the Labour Party cast a vote for the leader.

The Right wing claims that the NEC model amendments favour an electoral college unfairly over any other system; that they call for a recorded vote that could pave the way for intimidation; and that they would open up the prospect of conflict between the party and a future Labour prime minister.

One of the NEC proposals, which are meant for guidance only, is that even when the Labour Party is in government there could be an election for the leadership if requested by a majority of the party conference on a card vote.

This provision, which was rejected by party conference last month has now been resurrected—to the concern of Right-wingers. They believe it would lead to a constitutional crisis if the prime minister were to be rejected by conference but still retained the support of Labour MPs.

The NED draft amendment suggests an electoral college divided among the PLP, trade unions and local parties. But it leaves the proportions still to be determined. Just as it proved impossible at the Blackpool conference to find a suitable formula, it could prove no less difficult in January.

The Left opposes the suggestion that the leader should be chosen by all members of the party on the grounds that it would be unworkable in practice.

Meanwhile, around two-thirds of the PLP are believed to have voted already in the election for party leader. Many MPs, though, have promised their local Parties to seek their advice this weekend.

The first ballot is to be declared on Tuesday evening and *it seems certain* that a second ballot will be required.

Mr. Denis Healey remains the narrow favourite for leader.

Weather

UK TODAY

DRY IN E. Showery and windy elsewhere.

England (except SW), Channel Islands

Dry. Sunny spells. Max. 13C (55F).

Wales, SW England, I. of Man, Scotland, N. Ireland

Sunny spells, showers. Wind strong to gale. Max. 13C (55F).

Outlook: England and Wales dry. Scotland and N. Ireland rain at times.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	18	64	L. Plms.	S	23	73
Algiers	S	23	73	Lisbon	S	19	66
Amsdm.	S	9	48	Locarno	F	12	54
Athens	S	22	72	London	S	12	54
Bahrain	S	26	79	Luxmbg.	S	7	45
Barclna.	F	19	66	Luxor	S	31	88
Beirut	T	20	68	Madrid	S	18	64
Belfast	C	11	52	Majorca	S	22	72
Belgrd.	S	12	54	Malaga	F	20	68
Berlin	F	6	43	Malta	C	22	72
Biarritz	C	14	57	M'chstr.	S	10	50
Bmghm.	F	10	50	Melbne.	R	16	51
Blackpl.	F	9	48	Milan	S	13	55
Bordx.	S	17	63	Montreal	S	6	43
Boulgn.	S	11	52	Moscow	S	−2	28
Bristol	F	11	52	Munich	F	7	43
Budpst.	S	10	50	Naples	S	19	66
Cairo	C	26	79	Nwcstl.	F	7	45
Cardiff	C	10	50	N. York	S	6	43
Cas'b'ca	S	24	75	Nice	S	19	66
Cape T.	S	25	77	Oporto	S	21	70
Cologne	F	7	45	Oslo	S	0	32
Cphgn.	S	3	37	Paris	S	10	50
Corfu	S	20	68	Perth	S	27	81
Dublin	C	11	52	Prague	C	5	41
Dbrvnk.	S	18	64	Reykjvk.	R	10	50
Edinbgh.	F	9	48	Rhodes	S	22	72
Faro	F	21	70	Rome	F	21	70
Florence	F	17	63	Salzbrg.	F	7	45
Frankft.	F	7	45	Stckhm.	S	0	32
Funchal	F	22	72	Strasbg.	F	9	48
Geneva	C	8	46	Sydney	F	21	70
Gibrltr.	F	19	66	Tangier	S	24	75
Glasgow	C	9	48	Tel Aviv	S	24	75
G'nsey	S	11	52	Tenerife	S	23	73
Helsinki	S	−1	30	Tokyo	S	17	63
H. Kong	S	27	81	Tunis	S	24	75
Innsbrk.	F	9	48	Valencia	S	19	66
Invrnss.	C	9	48	Venice	F	15	59
I.o.Man	F	11	52	Vienna	C	9	48
Istanbul	C	15	59	Warsaw	C	2	36
Jersey	S	10	50	Zurich	F	6	43
Jo'burg	S	25	77				

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunder.

Moves to unseat Moran fail

BY JOHN MOORE

ATTEMPTS by four directors of Christopher Moran Group to remove Mr. Christopher Moran from the board of the insurance broking group, which has large Lloyd's interests, failed at an extraordinary general meeting yesterday.

The four directors have resigned, leaving Mr. Moran on the board with two newly-appointed directors.

The board, including Viscount Hall of Cynon Valley, the chairman, Mr. Raymond Hall, the acting managing director, were seeking Mr. Moran's removal through a special resolution which was to be put at the meeting yesterday.

Mr. Moran, the former managing director, is facing police charges of conspiracy to defraud certain Lloyd's underwriting syndicates and Lloyd's has instituted statutory disciplinary proceedings against him on a separate matter.

"Because of the nature of the charges brought against him we are convinced that Mr. Moran must cease to be a director," Mr. Victor Wood, one of the directors who took the meeting, told shareholders yesterday.

But attempts by the board to put the resolution were blocked in a dramatic intervention by Mr. Robin Potts, a barrister representing Eros Nominees. Eros Nominees holds 36 per cent of the Moran equity.

He proposed that the extraordinary general meeting "should be adjourned sine die."

Mr. Wood warned that if the resolution is carried "with the adjournment of the meeting for one second, never mind sine die, the board will have to resign forthwith."

After a poll votes representing nearly 11m shares were cast by just 35 shareholders, largely representing offshore trusts, in favour of the adjournment. Although 400 shareholders voted against the resolution, including large institutional holdings such as 6.9 per cent stake of London Trust, their votes represented only 4.55m shares.

The directors, apart from Mr. Moran, promptly resigned.

After a short adjournment Mr. David Bryans said he had been co-opted to the board and appointed chairman of the meeting by Mr. Moran.

Administrative departments in Lloyd's were studying the outcome of the meeting yesterday. "The position of the Lloyd's broking company and the underwriting interests of the Moran group will be brought before the committee of Lloyd's at their meeting next Wednesday," said Lloyd's last night.

Directors resign, Page 20

EEC asks producers to store steel

BY GILES MERRITT IN LUXEMBOURG

EUROPEAN steel producers yesterday had talks here with Viscount Etienne Davignon, the EEC Industry Commissioner, to discuss a voluntary code to reinforce the compulsory cuts in steel production to be imposed by the Nine.

The code EEC steel makers are being asked to *observe* would place limits on deliveries of steel, and is intended to prevent the major quantities of steel in stock from coming on to the greatly weakened European market and further depressing prices.

The regime Brussels has been awarded by the Council of Ministers under Article 58 of the European Coal and Steel Community's Treaty of Paris only covers production.

Steel industry experts regard the code as vital to the production controls scheduled to last until *mid-1981. The voluntary* element in the new strategy has been overshadowed by the month-long delay caused by West German objections to the mandatory curbs.

Count Otto Lambsdorff, the West German Economics Minister, said that although West Germany had accepted the compulsory quota system, he was "extremely sceptical" about it succeeding.

The effectiveness of the regime, reluctantly brought into force to replace the collapsed voluntary Davignon Code, *still relies largely* on steel industry self-discipline. But doubts are also growing inside the steel industry as to the practicability of the output curbs.

Although the quotas are due to give each producer much the same EEC market share as before, no global picture of these quota *shares* is to be released. Britain's steel industry is expected to retain around 15.5 per cent of all EEC output, and Bonn has asserted that West Germany's share will be 32.65 per cent, but there have been reports that Italy will be spared the full proportionate burden of the cuts presumably at the expense of French, Belgian and Luxembourg producers.

Agreement details, Page 2

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